



FEDERAL BUREAU OF INVESTIGATION

**ALPHONSE CAPONE
(NEWS ARTICLES)**

PART 10 OF 11

SUB A

CAPONE,

Alphonse

Sub A - News Articles
part 1 of 2 parts

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\$120,000 TAX SNIPES CAPONE

WASHINGTON, Oct. 19.—Re-
lentless in its drive against Al
Capone, once mighty overlord of
Chicago's gangland, the Federal
Government today had assessed
him \$120,000 for unpaid beer
taxes.

"Scarface" is now doing time in
Alcatraz Prison, California, for
evading various income taxes dur-
ing the palmy alky and beer-run-
ning days.

The Treasury Department also
began service of identical assess-
ments against 14 Capone hench-
men.

The assessment covers 19,000
barrels of beer at \$6 each, and
comes as an aftermath to the big-
gest raid on the illicit beer busi-
ness in prohibition history.

Though several members of the
band have been slain since the
Capone reign in Chicago, this will
not affect the Government's ac-
tion. Search is being made for
property left by these men against
which Federal liens can be placed.

Mr. Nathan ✓
Mr. Tolson
Mr. Baughman
Chief Clerk
Mr. Clegg
Mr. Coffey
Mr. Edwards
Mr. Egan
Mr. Foxworth
Mr. Harbo
Mr. Joseph ✓
Mr. Keith
Mr. Lester
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

[Handwritten signature] RC

NEW YORK EVENING JOURNAL

Forwarded by New York Office

OCT 19 1935

69-180-A

CAPONE GANG IN TAX FIGHT

International News Service

Federal action to collect \$120,000 in back liquor revenue taxes from "Scarface Al" Capone and 14 of his associates proceeded another step today when the Treasury formally accepted assessments certified by the unit of taxes and penalties.

Capone, now in Alcatraz prison, California, is being assessed for the nonpayment of taxes on 19,000 barrels of beer at \$6 per barrel.

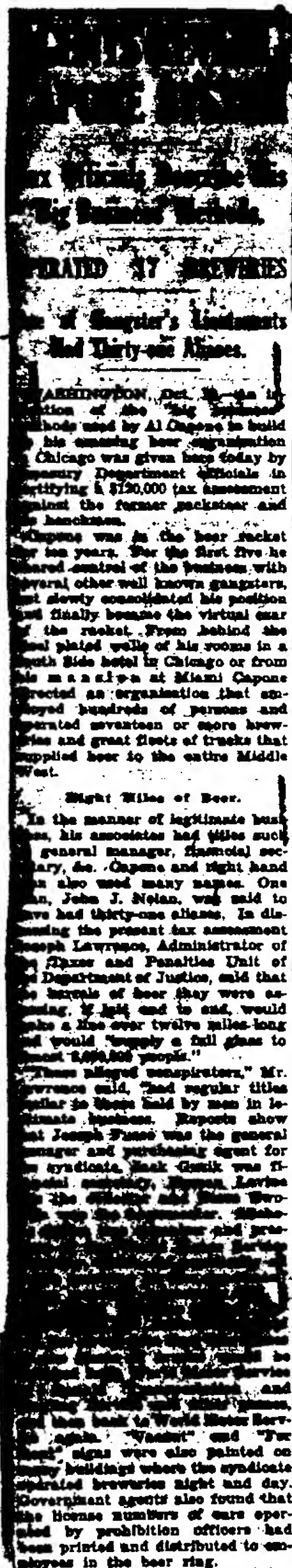
If Capone or his lawyer, Mike O'Hearn, does not pay, the Government will try to collect from the living members of the old Cicero colony.

Among those liable for the taxation are: John J. Nolan, the man with 31 aliases and "bookkeeper" for the outfit; Ralph Capone, Al's brother; August Dodd, Charles Flehrmeyer, George A. Howlett, Mike Lopristi, Joseph Fusco, Jack Gzik, Hyman Levine, Steve Swoboda, Albert Johnson and Nicholas and Frank Juffra.

Mr. Tolson
Mr. Baughman
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Mr. Tamm ✓
Mr. ...
Miss ...

NEW YORK: SUN
Forwarded by New York Office

007 19 1955

69-180-A



It is reported that Capone used the name of Al Brown and thirteen other persons in the Chicago beer racket. The majority of his associates in the syndicate had criminal aliases and one, John J. Moran, had thirty-one.

There are indications that several sign painters must have worked during the reign of the beer baron and his henchmen. The large fleet of trucks used in the traffic would be painted one time, for example, "World Motor Service Company," then be changed to "Donald Transportation and Handling Service," then be changed again to "Big Load Motor Service," etc. And it was a common thing for Federal agents to find large "vacant" and "for rent" signs painted on buildings in which illicit breweries were being operated at full blast day and night.

"It is learned that the syndicate often used as many as four armed convoy cars to protect their beer shipments from hi-jackers, as there was no end of double-crossing."

Let the Gang Do the Work.

After one return, Mr. Lawrence added, the government received a tip that the gang would return Sunday to cart away the equipment. The government guards, Mr. Lawrence went on, watched until the gang "had all the equipment nicely loaded on their truck, at which time another arrest was made for violation of the criminal code, in removing stolen government property."

Proceeding, Mr. Lawrence said: "The records indicate that Nicholas and Frank Juffra were pretty much in control of the syndicate in its early days, but later Capone became the real power, aided by Fusco and Delaney. Capone was in the beer racket for about ten years and was virtual czar for over five years. He directed the traffic from his headquarters in a Chicago hotel and from his mansion in Miami.

"The old records indicate that among the nicknames of Capone and his henchmen were the following: 'Bugsy,' 'Buggie,' 'Scarface,' 'Big Fellow,' 'Boss,' 'Dutch,' 'Little Jack,' 'Greasy Thumb' and 'Loudmouth.'"

The record also shows that the syndicate was the source of many of the underworld profits in Chicago, and that it was the main source of the money which was used to finance the operations of the syndicate.

STALLED NEW TAX ACTION

Government Gives Details of Racket as It Assesses Bootleg Oats and 14 of Band.

WASHINGTON, Oct. 29. — The Treasury today unveiled an income tax assessment of \$150,000 against Al Capone and fourteen confederates. In connection with the action, the Department of Justice revealed details of the investigation on the basis of which it recommended the assessment a month ago.

This investigation showed, according to Joseph Lawrence, Administrator of the Taxes and Penalties Unit of the Department of Justice, that the Capone gang had a prohibition-era beer organization in Chicago which functioned in the manner of big business in the legitimate world.

"It was revealed," Mr. Lawrence said, "that these alleged conspirators had regular titles similar to those held by men in legitimate industry. For instance, reports show Joseph Fusco was the general manager and purchasing agent for the syndicate for trucks and beer-making equipment. Jack Guzik was financial secretary and in charge of operations in the absence of Capone. Hyman Levine was the collector for the syndicate. Steve Swoboda was the brewmaster. Frank Juffra was chief-in-charge of short transportation. Albert Johnson was Chicago beer-truck driver and special convoy man, and Nicholas Juffra was organizer and president of the World Motor Service Company, which did practically all of the trucking for the syndicate."

Wrote Him \$200,000 Oatmeal.

The scope of the long investigation also indicated by Mr. Lawrence to today's press: "It is the longest and most thorough investigation in this country since the Prohibition era. It was a complete and exhaustive search for the source of the money which was used to finance the operations of the syndicate."

- Mr. Nathan.....
Mr. Tolson.....
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THE NEW YORK TIMES
Published by New York Office

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- Miss Gandy

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Capone Taxed

\$120,000 Sought for Beer Assessment

WASHINGTON, Oct. 18 (US) — Relentless in its drive against Al Capone, once overlord of gangland, the Federal Government tonight assessed him \$120,000 for unpaid beer taxes.

Capone is now in Alcatraz Prison, for evading various income taxes during the prohibition beer-running days.

The Treasury Department also began service of identical assessments against 14 Capone henchmen. The certification of the penalties was made to Treasury officials a month ago by the Taxes and Penalties Division of the Department of Justice.

RECEIVED
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

OCT 19 1935

69-180-A

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Hard labor for the convicts at France's famous Devil Island means hard labor.

WHERE POLITICAL PRISONERS ARE QUARTERED

(HE PT. JOSEPH)
WHERE INCORPORATED
ARE CONTAINED AND
EXECUTED

The legendary punishment and hardships at Devil's Island pale into insignificance when compared with the dreaded "silence" treatment at Alcatraz. (Above) The famous French Penal Colony.

called signals. "Too many men too often wound up in 'The Hole' by sustained punishment is out. The single weekly period of recreation—between one o'clock and three-thirty on Saturday—is a boon, but it's a long time between strokes—fourteen days dropping upon anyone."

The place is practically impenetrable from within, and without. Full well may it be called the Devil's Island of America.

It is so high. One might as well try to climb its way out of a metal coffin. It is no more than two miles to land, possibly less. But the tide is sure death.

There is the story, for instance, of Col. G. Maury Craile, the old time correspondent who learned of a plot for a general break among the soldier-convicts. At a given signal, they were to plunge into the sea as one man and take their chances.

The Colonel viewed the situation with objective interest. He then pretended to be sleeping about it when he caught the plot, bare before him.

"Go ahead," said he, encouragingly. "Pick your time when you think the tide is favorable. Practice a while. I won't notify the police in San Francisco." No body tried.

Of course, Alcatraz has modern

wireless now—but it's hardly needed.

For one thing, there is the renowned "Electric Eye." It is a device that is trained on everyone entering and leaving the island and, like that of the fabled basilisk, its eye penetrates everything. The slightest bit of metal on any person—convict, visitor or guard—is revealed by the ringing of a bell, pins, knives, etc., therefore, might as well be left with the rest of the sparks back on the bureau at home.

A screen of barbed wire entanglements extends to the shore.

Over the cells and the dining room hang clusters of gas bombs that can be released at the slightest outcry.

Is this enough? Frankly, it doesn't seem to be, for the few visitors an inmate is permitted must talk to him through a bullet-proof, porous glass partition.

It is the very hopelessness of their position at Alcatraz that leaves the prisoners so vulnerable in the matter of being held to stern account. Their cells, it is said, are strictly one-man boxes, four feet by eight, and as bare as a slab of marble. No radios at Alcatraz; no pictures, even, or ornaments.

Everything is solid steel—a steel bath, steel berth, three steel hooks for clothes. Nothing can be hidden. A man may read until the light goes out hour, but only a book from the library; perhaps a letter, never a newspaper. The authorities claim

that newspapers are censored only of their crime stories, but this does not hold with the story that an inmate never so much as learns a baseball score—unless a guard happens to feel garrulous—and that the happenings of the world without are simply a closed chapter.

As for letters, they claim they never get the originals (a precaution against code). Instead, all incoming letters are re-typed.

Visitors are subjected to the heaviest of restrictions, being unable, first, to visit a convict during the opening four months of his incarceration and, second, unable to visit him at all, except on a pass signed by the Attorney-General of the United States!

An intolerable wind almost always blows across the arid face of the island. The wind often causes sand and dust storms, capable of making the exercise yard something of a horror in its own right. It's possible that fog will close in.

Not a pretty picture? Neither was Poe's buried-alive motif in the Case of Amontillado, but, at that, there was always an antidote for Poe. It was strictly nightmare stuff from which the reader could wake to welcome relief. At Alcatraz, they wake only to terrible reality.

One report has it that Mrs. Capone is living on top of Telegraph Hill from which she is nightly trying to signal the ex-emperor of the underworld by means of flash lights. This time, the officials are not so reticent. They characterize the story as "preposterous" and, beyond all doubt, their statement is well taken.

THE SILENT WALLS OF THE ALCAZAR Porture that Broke Capone:

The machine gun is but one of the modern barriers which make escape from Alcatraz hopeless.

Ornate, sinister silent the glowering walls of Alcatraz Prison in San Francisco Bay.

the lash than the robot-like life of the almost eternally present

vary. The government, contributing to the disquieting air of mystery, won't talk about Alcatraz. Its warden, James A. Johnston, not permitted to Paroles seldom happen and pardons never, so the convict version is not too generally available and, besides, they are said to have an understanding by which they are not to talk about "the boys inside."

ishment, was recently taken out and deported as an undesirable alien. The man seemed dazed by his great fortune and, at first, babied almost incoherently. So might one talk who had lived too long without the solace of words.

"Free... free... free," muttered William A. Rose, Englishman, as he stood at the rail of his

of recreation each Saturday, there is silence. But off, there may be a blast from the whistle of a steamship

up the bay. Perhaps in the ensuing quiet a gull gives up its eerie, wailing cry. Otherwise—nothing.

As Thomas Hood, the bard, so aptly put it in his "like silence" poem: "In this case, silence, broken in this case only in moments of extremity when the human ear can stand no more. The effect may be a sudden shriek, a doltish, aimless laugh. The result, a measured tread of feet coming down the corridor.

They then hurry at the offender's door. Another man—or his caricature—has gone to "The Hole."

"The Hole," natural, is known as "solitary," where the

(Continued on

by

Picture that Broke Capone:

Oratory at the Alcatraz Prison, San Francisco Bay.

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The Horror of SILENCE— Uncle Sam's Worst Punishment

(Continued from Preceding Page)

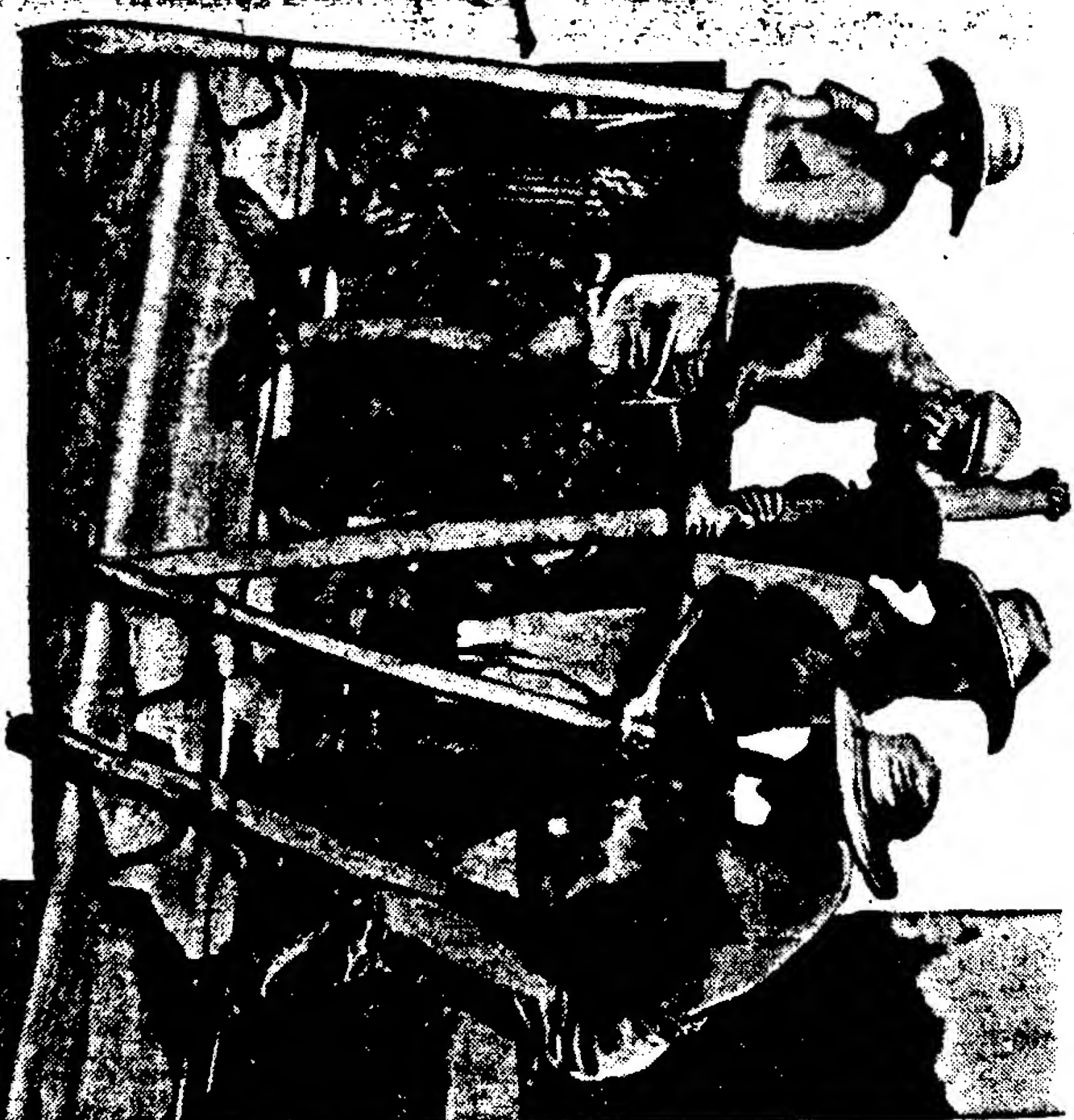
and is unique and the opportunity for prolonged meditation unexcelled. Capone, they say, has copied his program, heels in "The Hole" from here to there. His, according to reports, is "tapping up" over the no-talking rule. But the story was denied that he was going all-crazy.

"It's as sure as you or me," said the "dope peddler" in one breath. "If they keep it up out there, they won't have a prison. They'll have an insane asylum." (The officials have neither denied

or affirmed the story that Capone was a trouble-maker and had to be disciplined. In the same way, another report went uncontroverted that Alphonse had decided to be a good boy and worked his way up through the dry cleaning shop to the post of librarian. Unofficially, there were details from members of the staff of a number of Alcatraz stories, notably those having to do with the rigidity of the no talking and eat-or-go-hungry rules.

The usual "grapevine" is ineffective. Various codes

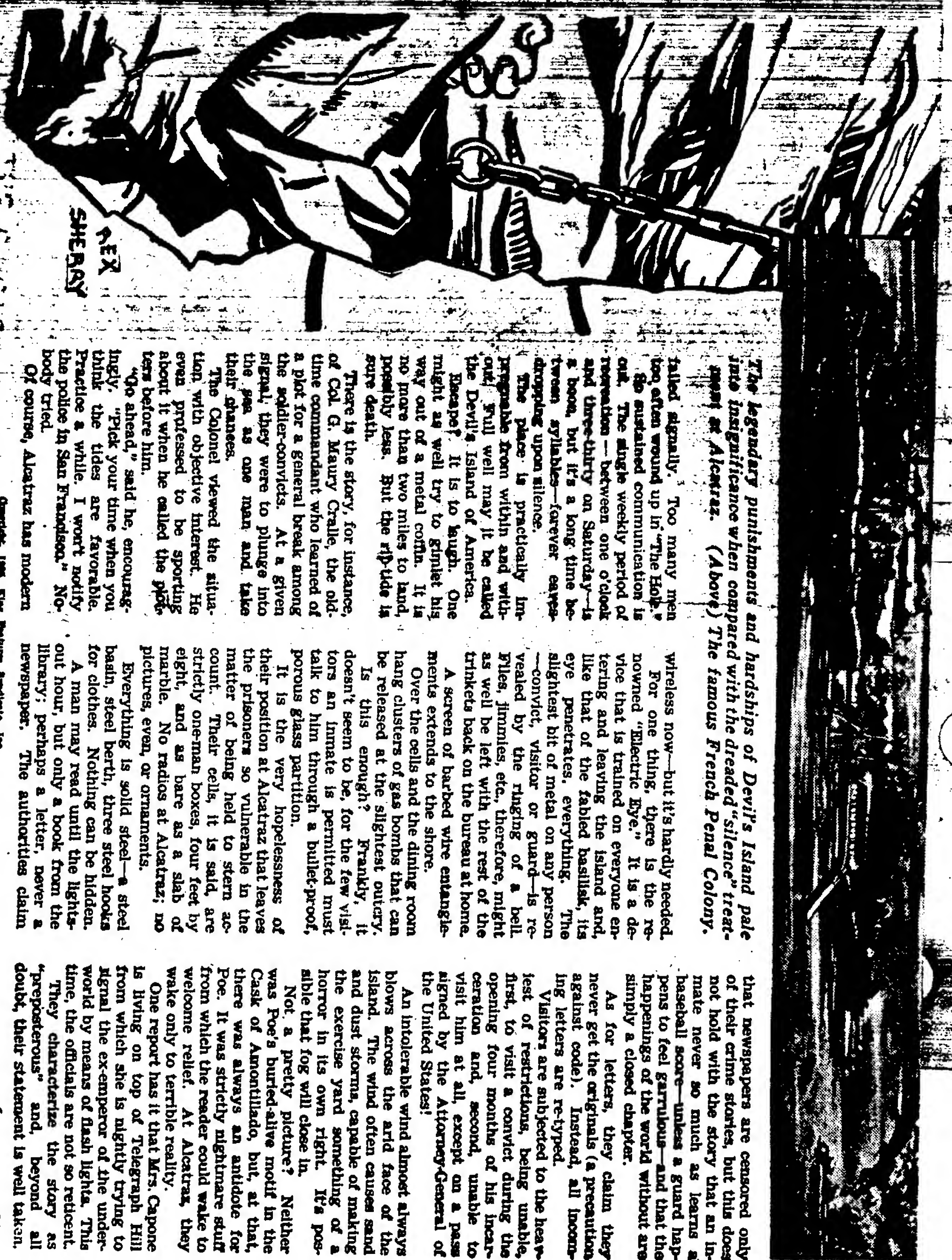
Hard labor for the convicts at France's famous Devil's Island—means hard labor.



(THE ROYAL)
MILITARY HEAD-
QUARTERS AND
CONNECT PRISONS
AND WORKSHOPS

(DEVIL'S IS.)
WHERE POLITICAL
PRISONERS ARE
QUARTERED

(THE ST. JOSEPH)
WHERE INCORRIGIBLES
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The legendary punishments and hardships of Devil's Island pale into insignificance when compared with the dreaded "silence" treatment at Alcatraz. (Above) The famous French Penal Colony.

talled signally. Too many men too often wound up in "The Hole." No sustained communication is out. The single weekly period of recreation—between one o'clock and three-thirty on Saturday—is a boon, but it's a long time between syllables—forever ears-dropping upon silence.

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Escape? It is to laugh. One might as well try to riplet his way out of a metal coffin. It is no more than two miles to land, possibly less. But the rip-tide is sure death.

There is the story, for instance, of Col. G. Maury Cralle, the old-time commandant who learned of a plot for a general break among the soldier-convicts. At a given signal, they were to plunge into the sea as one man and take their chances.

The Colonel viewed the situation with objective interest. He even professed to be sporting about it when he called the plotters before him.

"Go ahead," said he, encouragingly. "Pick your time when you think the tides are favorable. Practice a while. I won't notify the police in San Francisco." Nobody tried.

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For one thing, there is the renowned "Electric Eye." It is a device that is trained on everyone entering and leaving the island and, like that of the fabled basilisk, its eye penetrates everything. The slightest bit of metal on any person—convict, visitor or guard—is revealed by the ringing of a bell.

Files, Jimmies, etc., therefore, might as well be left with the rest of the trinkets back on the bureau at home.

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PEX
SHERMAN

9/29/35

Overcast, 1935, King Features Syndicate, Inc.

DAVID J. WALSH

HERE it lies, out in the middle of San Francisco Bay, like an ugly bone bleaching in the sun. Sinister, too, in the grim set of its jagged, forbidding rocks; the low, lifeless buildings, white as a shroud. Even the name isn't reassuring.

Alcatraz. A name that somehow suggests the weird and the unseen and, indeed, this cannot be wholly an illusion. Mention Alcatraz in any second-class dive below the equator of respectable society and hardened killers, indifferent to death, will instinctively flinch. The name is the Devil's (Devil's Island) would produce the same effect in a Parisian saloon, though for a different reason. There, because of the tropic heat, the body may wither, but the soul is the soul.

It is here that the society not-so-gentle and paternal Uncle Sam now deals with the real bad men of the criminal world, or those who fancy themselves to be bad. He doesn't want the bone or the knout. He needs for the Oregon boot. All he does is apply his pressure with just a touch of the modern Freudian touch and the most fearful among the guests presently acquire an air of resignation.

Al Capone, brooding darkly upon his wrongs, the cell blocks, the interview of trial and error. At last, he couldn't endure that awful, natural stiffness—harsh with ex-plant nothingness—and so there were some who cried out against it, his ultimate regret.

It was the same with Machine Gun Kelly and his business associate, Alvin Karpis. Likewise the gentle-who thought up the bright idea of hanging the guns for the fall at Leavenworth in 1931, and Pontiac.

The G-men got Dillinger and the fellow Gerald Chapman, but, if the legend of Alcatraz is not too distorted, they were lucky at that. Bet- in some ways, the scourge and

stare and gazed out over the Atlantic toward home. "I'm really free. God, why doesn't this boat sail?"

He was pathetically frightened that it would turn out to be all a mistake; that they'd come and take him back to the twelve acres of sand and rock and glowering walls where words have no place and men live only in memory.

He remembered that they walked among their kind. Off there, for instance, the towers of San Francisco and its hostile and dusty and roar. The miles away, Alcatraz and what?

By way of inspection, approach the island and closer than 600 feet, if you can. As a matter of fact, you can't. Guards, eyeing all craft narrowly from the towers, warn everybody off as though from a colony of lepers.

A sense of something unreal, fantastic. The stillness is that of a vacuum, for here is the Port of Silent Men, 241 of them and not a sound from a single throat.

For days on end, the silence endures. It is like a hideous incantation that gives back echo for echo and, in time, it can take on a quality so tangible as to give the impression that one can reach out and touch it, as one might touch something heavy and sodden like a horse blanket. Meaningless grin routine goes on.

Men into the cells. At 20 in the afternoon. Up again at seven and forthwith to work all through the day in the laundry, shoe shop and mat-making plant. No talking, no whispering. Three meals a day—and be sure to eat all your food at each meal. If not, you go hungry for the next. Three times weekly, you shave with a razor grimly handed you by a guard. It is a standard type of safety razor, but the guard stands by and watches every move—just in case. They haven't been feeding and bedding you all this time just to watch you breathe your last through a severed jugular vein.

And always, except for 2 1/2 hours

"Capone, too, has cooled his arrogant heels in the dreaded 'hole' at Alcatraz."

Overleaf, 100, King Features Syndicate, Inc.



9/28/35

Mayor Vows New War on Capones

CHICAGO, Sept. 20 (AP)—Mayor Joseph Cerny of Suburban Cicero, through his new police chief, today announced a campaign to drive the rejuvenated Capone gang out of town.

The new chief was Lieut. Frank Machacek, nominated by Mayor Cerny to succeed Theodore L. Svoboda.

Svoboda, claiming support of five out of the seven town board members, denied the mayor's right to oust him, and said he would stay on the job at least until Machacek's appointment goes before the board next Friday.

MILWAUKEE SENTINEL
SEPTEMBER 21, 1935

Mr. Nathan
 Mr. Tolson
 Mr. Baughman
 Chief Clerk
 Mr. Clegg
 Mr. Coffey
 Mr. Edwards
 Mr. Egan
 Mr. Foxworth
 Mr. Harbo
 Mr. Joseph
 Mr. Keith
 Mr. Lester
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 Mr. Scheidt
 Mr. Schilder
 Mr. Tamm
 Mr. Tracy
 Mr. Egan

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Capone Syndicate Again in Full Swing

The old Capone syndicate is back in full flower again, with garlic on its breath, lavender on its under-
wear, and blood in its eye.

The same group of charming introverts who once had the entire city of Chicago by the back are now holding sway in the county, catering in the finest Capone tradition to man's appetite for the pleasant vice. (Alphonse Capone excepted.)

The same system of economics, in which competition is outlawed, still exists. Gambling and vice are condoned not by rugged individualists, but by regimented agents of the outfit, headed by Ralph Capone.

Can Sign Big Checks.

The keeper of a bagnio in the southwest part of the county gave an angle of the system. He observed that the gentleman obviously didn't believe in making love, and engaged the visitor in conversation in his own modest way. The keeper was a thick-necked European who can sign an X to checks for large amount.

"Isn't there some sort of legal restraint on such places as this?" the visitor asked.

After figuring this out, the keeper said no. He is outside the corporate limits of any town, he went on, and was subject to the jurisdiction of only the county highway police.

Another roadhouse keeper in Stickney gave still another angle.

"This really ain't my business," he said, pointing to the racing sheets, the gambling paraphernalia and the bawdy-eyed women and men who were laying out their supper money. "I get \$250 a month from the outfit just to let them run here."

As in the dear dead days of prohibition, the center of the syndicate is in Cicero, at the old Ship, 2131 South Cicero avenue, where the bull-necked Ralph Capone hangs out. There were some 500 people in the place when a reporter visited it.

Use No Safeguards.

The gambling is so placidly accepted that no attempts at conventional safeguards against detection are employed. Customers are not even given the customary "risk" at

the front door. The slinger who sits there merely waves.

Down the street, in close proximity to their overlord, Johnny Moore, alias Claude Maddox, and "Tough Tony" Capone hold forth in the Hi-Ho Club, 2242-44 South Cicero avenue.

For the last few years the club has been a hi-de-ho joint, famed for entertainment and sparring. Now the restaurant and cafe equipment has been stored and gambling equipment set up in its stead. There were about 300 men and women in this joint when a reporter visited it.

John ("Bottles") Capone, brother of Ralph and Al, was working being the betting counter. A brother of Tony Capone moved about the crowd as a shill.

Attendants in Uniform.

Until Tuesday night the Hi-Ho Club had elaborate crap games going, with attendants in checkered uniforms. For the present the heavy games have been discontinued, presumably at the suggestion of some

(Continued on Third Page.)

(Continued from Third Page.)

law-enforcement office with a view to the arrest of racketeers.

Around the corner, at 4407 West 21st street, "Knockout" Brown holds forth in a modest saloon and hangout, at which about 300 people were toying with the horses on the afternoon of the visit.

Still another powerful member of the old syndicate has a place in Cicero—"Klondike" O'Donnell is operating a gambling spot on the southeast corner of 48th court and Roosevelt road and was doing pretty well when he was visited.

A remarkable thing about hand-book shops and gambling joints is that there is only one cashier's window and two, three or four ticket-selling windows. This obvious indication of the odds does not deter great numbers of Cicero and Chicago working stiffs and housewives from trying their luck, however.

Plan New Places.

That Cicero gambling is in the first period of expansion was indicated in the preparation of new joints. Four spots within a short distance of 22d street and Cicero avenue were being refurbished for dining, dancing and blowing the works on a good one in the fifth.

Other business feels the beneficent influence of the syndicate also. Said a woman in the vicinity of 4838 South Oak Park avenue, Stickney, where, in an old roadhouse that had been dark for years, the syndicate operates a handbook with a Jess Rutherford as manager:

"You can say what you want about the syndicate, but they sure bring business in a neighborhood. We were starving to death in this roadhouse until they opened up. Now we get all kinds of supper and drink trade."

That great national figure, "Machine Gun Jack" McGurn, also has his spot, and rents it from no one less than the state of Illinois, keeper of defunct banks.

Despite previous exposure, after which Sheriff John Toman "closed" the place, McGurn's gambling house in the quarters of the closed Citizens' State Bank in Melrose Park was doing more business Saturday afternoon than the bank ever did.

McGurn Still Open.

McGurn was not closed, even after the state of Illinois, keeper of defunct banks.

The old Capone syndicate is back in full flower again, with garlic on its breath, lavender on its under-
wear, and blood in its eye.

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CHICAGO DAILY NEWS

9-16-35 69-180-A

18

HEALY SCORES RECORD OF LEIBOWITZ

Geoghan's Opponent
Capone's Mouthpiece,
Says Ex-Judge

Former Magistrate Leo Healy linked the names of Sam Leibowitz and Al Capone in a series of addresses delivered to audiences at Democratic rallies throughout the borough last night.

Assailing Leibowitz for aspiring to the Democratic nomination for District Attorney after having served as the attorney and "mouthpiece" for Al Capone, Healy appealed for the election of Prosecutor Geoghan, who "is a foe of the racketeers and our protector and friend."

DATA FROM BOOK.

Healy, bosom friend and at one time the attorney for Leibowitz, slipped into the pages of a book, "Not Guilty," purporting to be the life of Leibowitz, for the information he hurled at Leibowitz.

"He tricked the police for Capone's filthy money," charged Healy. "He was wine and dined by Capone. He entertained Capone at his own home. The book says so."

"And today Leibowitz wishes that book never had been written. Its shocking revelations of his association with the underworld haunt him in this campaign. It was Leibowitz that Al Capone sent for when Capone and his blood vampires invaded New York."

Healy is a friend of Leibowitz. At the time of Leibowitz's indictment on a charge of subornation of perjury, Healy acted as his attorney. The indictment was dismissed.

Quoting from the book, Healy told of the slaying of three members of the White Hand gang in Brooklyn, which caused the police to hunt for Al Capone.

"I am still quoting from the book," declared Healy. "Page 111 says: 'And hardly had the message hit the teletype when Leibowitz received a telephone invitation to attend a dinner the same evening in Brooklyn's...'"

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Mr. Tracy
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NEW YORK EVENING JOURNAL

SEP 12 1935

SEP 12 1935

69-1 P C-A

19

San Francisco EXAMINER
September 6, 1935.

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Mr. Tolson ✓
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MUSIC—BY CAPONE

Al Buys Alcatraz Band's Horns

HUNTSVILLE (Texas), Sept. 5.—(AP)—Al Capone has turned philanthropist in Alcatraz Prison, W. D. May, doomed murderer, said tonight as he prepared to meet death in the electric chair.

May, who served 10 months in Alcatraz with Capone, said Capone had purchased \$1,200 worth of band instruments, and presented them to the Alcatraz

Prison orchestra. Capone also offered to pay \$400 for a tennis court for the inmates.

May was electrocuted late tonight for his part in a triple slaying near Fort Worth.

U. S. GIVES CAPONE \$120,000 TAX BILL

By FREDERICK C. OTHMAN.

WASHINGTON (UP).—To the incredible Alphonse (Scarface Al) Capone yesterday went a \$120,000 bill for unpaid taxes on 20,000 barrels of a nauseous fluid which he sold for 50 cents a bottle as beer during prohibition.

The one-time overlord of Chicago rum running, vice and gambling was puttering sullenly in the library of Alcatraz prison, serving an 11-year sentence on previous tax charges, when the Bureau of Internal Revenue discovered the new debt on his back-alley brew.

The Government also charged scores of Capone's brewmasters, finger men and collectors with having a hand in the sale of the 20,000 barrels. These included Al's brother Ralph, Bert Delaney, August Dold, Charles Feuchtmeyer, Joseph Fusco, Jack Guzik, George Howlett, Albert Johnson, Frank Juffra, Nicholas Juffra, Hymen Levine, Michael Lopristi, John J. Nolan and Steve Swaboda. They'll all pay up too—or else.

G-men renewed their search for the untold millions Capone was supposed to have hidden so he could walk from prison some eight years hence, a fat and wealthy citizen and once again wear green silk union suits under his well-tailored broadcloth.

The Treasury will try to collect from the triple-chinned Capone in civil courts. If Federal sleuths can unearth the golden cache they think exists, the Government may be able to mark its bill paid. Otherwise there may be new criminal charges awaiting Capone when he is ferried away from the island prison in San Francisco Bay.

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NEW YORK POST OFFICE
JUN 30 1935

U. S. Asks \$120,000 From Al Capone

*Gangster and Friends
Assessed for Unpaid
Taxes on Beer*

WASHINGTON, Aug. 30 (AP).—Al Capone, Chicago beer baron now serving an 11-year sentence in Alcatraz Penitentiary for income tax evasion, today was assessed almost \$120,000 by the Treasury for liquor taxes not paid.

The assessment also was laid against other members of the Chicago syndicate with which Capone was connected in the prohibition era.

Capone is charged with the illegal manufacture, distribution and sale of beer.

The Treasury will take steps immediately to collect the assessment in a civil court proceeding.

The Justice Department said:

"This will no doubt mean a renewed search for the funds and other assets still believed to have been secreted by Capone during the long years of his unlawful operations."

The charges against the Capone syndicate involve 19,984½ barrels of beer seized between 1921 and 1932. The ~~tax~~ was assessed at \$6 a barrel.

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Mr. Tolson	
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Mr. Edwards	
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Mr. Joseph	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Scheidt	✓
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NEW YORK AMERICAN
Forwarded by New York Office

AUG 31 1934

\$120,000 TAX LEVIED ON CAPONE AND GANG

Government Files Charge on
20,000 Barrels of Seized Beer
Against Old Chicago Syndicate

WILL HUNT FUND CACHES

Treasury Will Act in Civil Suit
—Bootleg Chief Has No Prop-
erty Left, Says Lawyer.

Special to THE NEW YORK TIMES.
WASHINGTON, Aug. 30.—The
government will attempt to collect
about \$120,000 in beer taxes from
Al Capone, former Chicago under-
world king, and fourteen members
of the bootleg syndicate which he
directed until jailed for income tax
evasion in 1933, the Department of
Justice announced today.

After assembling voluminous evi-
dence, the department believes it
can prove that the Capone syndi-
cate manufactured and sold 19,
984½ half-barrels of "high-powered
beer" in prohibition days. Admit-
ting that this is only a small frac-
tion of the syndicate's actual out-
put, the department, nevertheless,
has asked the Treasury to start ac-
tion for collection of liquor taxes
on the beer, which has been traced
to the Capone gang.

Joseph Lawrence, administrator
for the Attorney General in charge
of taxes and penalties, today cer-
tified to Commissioner of Internal
Revenue Halvering the foot-high
stack of evidence purporting to
show that Capone's syndicate manu-
factured the 19,984½ half-barrels of
beer.

Experts of the Liquor Tax Divi-
sion announced that the case had
not been turned over to them yet,
but explained that the usual pro-
cedure is to assess the tax due
against each member of the syndi-
cate, collecting it where they can.

Tax Is Put at \$6 a Barrel.

The tax on 19,984½ half-barrels of

\$120,000 TAX LEVIED ON CAPONE AND GANG

Continued From Page One.

who is now serving his sentence
on the income tax conviction in
Alcatraz Island, will be started by
the Treasury Department in an ef-
fort to collect the \$119,907 in beer
taxes, according to the Justice De-
partment.

The fourteen others named with
Capone, many of them prominent
in the Chicago underworld of pro-
hibition days, are:

Ralph Capone, brother of the
gang leader; Jack Gusik, Bert De-
laney, August Dold, Charles Fush-
meyer, James Fusco, George How-
lett, Albert Johnson, Frank Juffra,
Nicholas Juffra, Hyman Levine,
Mike Lopristi, John J. Nolan and
Steve Swoboda.

Doubt Over Capone's Finances.

Special to THE NEW YORK TIMES.

CHICAGO, Aug. 30.—Two con-
flicting views were presented here
today concerning the government's
chances of collecting the tax assess-
ment against Al Capone and his old
syndicate. Government officials
hinted at the chance that large
sums had been secreted by the gang
leaders and that these could be re-
alized to cover the judgment.

It was considered likely that
majority of Capone's tangible as-
sets in the form of real estate was

already under lien to cover his in-
come tax deficiency. His income
tax liability was compromised at
\$157,416 last May. Capone's at-
torney, Michael Ahern, appealed
from original claims of \$322,842
and the stipulation was the result.
Mr. Ahern said that there had been
no negotiations toward settling.

Mr. Ahern said he doubted that
any appreciable sum of money had
been cached by Capone. He also
said that he knew of no property
held by the gang leader which had
not already been confiscated by the
government.

Captain William F. Waugh, attor-
ney representing the syndicate dur-
ing the liquor indictment troubles,
also expressed doubt that Capone
still held property from which the
new assessment might be realized.

The new tax represents a levy on
beer seized in raids during the
years 1921 to 1932. Information
gained by the raids was incorpo-
rated in an indictment naming
Capone, Bert Delaney and some
thirty-five others, and charging
conspiracy to manufacture and sell
illicit brew. After being amended
several times the indictment was
dissolved after the repeal of the
Eighteenth Amendment.

One angle of the case by which
the new assessment can be used as
a threat over the gang leaders is
the fact that the judgment will be
in effect for six years from yester-
day. Capone went to prison May 6,
1932, and if released for good be-
havior in seven and a half years
will have to turn all earnings for
two years over to the government.

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THE NEW YORK TIMES
Forwarded by the U.S. Mail

AUG 31 1935

Capone and 14 Get \$120,000 Liquor Tax Bill

U. S. Will Seek to Collect
on 19,984½ Gallons
Seized in Chicago Raids

Many Others Assessed

\$228,747 Is Sought From
Gordon and Associates

By The Associated Press

WASHINGTON, Aug. 30.—Al Capone, Chicago's scar-faced beer baron, and fourteen of his gangster cronies today were billed for \$120,000 in unpaid tax assessments on illegal liquor.

The assessment was another step in the Justice Department's fund-collecting drive against men charged with reaping large profits in the days before repeal. Others assessed previously included Irving (Waxy Gordon) Wexler, Max Hessler and Morris Greenberg, and Helme Walner, of Wisconsin, who is reputed to have battled Capone's "muscling in" along the North Shore and in the Wisconsin resort district.

The assessment today against Capone—now in Alcatraz prison in California—and other alleged members of his Chicago-Cicero, Ill., syndicate, was sent to the Treasury for collection by Joseph Lawrence, administrator of the Justice Department's unit of taxes and penalties.

Assessments \$5,000,000

Lawrence's unit, which has assessed about \$5,000,000 in taxes on illegal liquor in the last year, devotes a major portion of its time to unsettled accounts of prohibition violators.

Al Capone's lawyer, Michael J. Ahearn, said in Chicago that Capone, now serving a sentence for income tax evasion, was "supposed to be broke." But Lawrence retorted that the government is free to collect the entire tax from any one of the syndicate who has money. Tax authorities have the right to seize the property of those who refuse to pay.

Wexler, Hessler and Greenberg, leaders of a New York-New Jersey syndicate, were assessed \$228,947 on 129,970 proof-gallons of illegal alcohol about two months ago, Lawrence said.

Tax of \$6 a Barrel Sought

The Capone assessment was based on 19,984½ barrels of liquor known to have been handled by the gang between 1921 and 1932. All the barrels counted were reported in raids or seizures during the prohibition era, Lawrence said. The tax was assessed at \$6 a barrel.

Lawrence's men still have 60,000 prohibition cases remaining to be studied. Nearly 1,000,000 such cases have passed through the Justice Department unit since prohibition started.

Those named with Capone include his brother, Ralph Capone; Bert Delaney, August Dodd, Charles Fuehrmeyer, Joseph Fusco, Jack Gunk, George A. Hewlett, Albert Johnson, Frank Juffra, Nicholas Juffra, Hyman Levine, Mike Lopristi, John J. Nolan and Steve Swoboda.

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Aug 31 1935

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 Miss Gandy

TAX CAPONE

\$120,000

WASHINGTON, Aug. 30—(AP)—Al Capone, Chicago beer baron now serving an 11 year sentence in Alcatraz penitentiary for income tax evasion, today was assessed \$120,000—for liquor taxes not paid.

The assessment, ordered by the treasury, also was levied against other members of the Chicago syndicate with which Capone was connected during the prohibition era.

Capone is charged with the illegal manufacture, distribution and sale of some 20,000 barrels of beer.

The justice department said:

"This will no doubt mean a renewed search for the funds and other assets still believed to have been secreted by Capone during the long years of his unlawful operations."

WISCONSIN NEWS
 AUGUST 30, 1935

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NEW YORK EVENING JOURNAL

Forwarded by New York Office

U. S. Levies \$120,000 Tax Against Capone

WASHINGTON, Aug. 30 (By International News Service).—Assessments of \$120,000 were levied against Al Capone today by the taxes and penalties unit of the Justice Department. Assessment was made on charges that "Scarface Al" had manufactured, distributed, and sold some 20,000 barrels of "illegal and high-powered spirits."

AUG 30 1935

U. S. DUNS CAPONE FOR \$120,000 TAX

Will Renew Hunt for Hidden
Assets of Beer Baron Now
In Alcatraz

WASHINGTON, Aug. 30 (AP).—Al Capone, Chicago beer baron now serving an eleven-year sentence in Alcatraz Penitentiary for income tax evasion, today was assessed almost \$120,000 for liquor taxes not paid.

The assessment, ordered by the Treasury, also was levied against other members of the Chicago syndicate with which Capone was connected during the prohibition era.

Capone is charged with the illegal manufacture, distribution and sale of some 20,000 barrels of beer. The Treasury will take steps immediately to collect the assessment in a civil court proceeding.

The Justice Department, in announcing this move, said:

"This will no doubt mean a renewed search for the funds and other assets still believed to have been secreted by Capone during the long years of his unlawful operations."

NEW YORK POST
For sale by New York City

AUG 30 1935

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Mr. Harbo	
Mr. Joseph	
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Mr. Lester	
Mr. Quinn	✓
Mr. Scheidt	
Mr. Schilder	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

NEW \$120,000 TAX LEVIED ON CAPONE

Others of Chicago Clique Assessed by Treasury.

WASHINGTON, Aug. 30 (A. P.).—Al Capone, Chicago beer baron, now serving an eleven-year sentence in Alcatraz Penitentiary for income tax evasion, was assessed almost \$120,000 today for liquor taxes not paid.

The assessment, ordered by the Treasury, also was levied against other members of the Chicago syndicate with which Capone was connected during the prohibition era.

Capone is charged with the illegal manufacture, distribution and sale of some 20,000 barrels of beer.

The Treasury will take steps immediately to collect the assessment in a civil court proceeding.

The Department of Justice in announcing this move said:

"This will no doubt mean a renewed search for the funds and other assets still believed to have been secreted by Capone during the long years of his unlawful operations."

The Justice Department said the assessment has been certified to the Commissioner of Internal Revenue by Joseph Lawrence, administrator for the attorney-general in charge of the taxes and penalties unit of the Department of Justice.

Mr. Nathan	✓
Mr. Tolson	
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Mr. Foxworth	
Mr. Harbo	
Mr. Joseph	
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Mr. Swisher	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

NEW YORK SUN
Forwarded by New York Office

AUG 30 1935

CAPONE FACES TAX SUIT

International News Service

Assessments of \$120,000 were levied against Al Capone today by the taxes and penalties unit of the Justice Department. Assessment was made on charges that "Scar-



Al Capone

face Al" had manufactured, distributed, and sold some 20,000 barrels of "illegal and high-powered spirits."

Capone, now a Federal prisoner in Alcatraz fortress, was included in a list of the alleged members of the Chicago syndicate ruled by him.

In making the announcement the Justice Department said it would endeavor to collect this amount "due in this civil proceedings." This, no doubt, will mean a renewed search for the funds and other assets believed to have been secreted by Capone during the long years of his unlawful operations.

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Mr. Harbo	
Mr. Joseph	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Schaidt	✓
Mr. Schilder	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

WICHITA TIMES

AUG 30 1935

69-186-4

PITTSBURGH PRESS August 30, 1935

G-MEN HUNTING HIDDEN FORTUNE OF AL CAPONE

**U.S. Charges Gangster Failed
To Pay Tax on 20,000
Barrels of Beer**

By The United Press

WASHINGTON, Aug. 30—The Government set out today to find and seize some of the fabulous fortune Al Capone was reputed to have hidden away before he was shuffled off to Alcatraz Prison to serve 11 years.

The scar-faced gangster who ruled a rich underworld domain in prohibition days but who escaped all severe penalties of the law until he was convicted of evading income tax payments was assessed \$120,000 today by the Commissioner of Internal Revenue.

The Commissioner ruled that Capone, back in the days when his gangsters' guns protected a monopoly on bootleg beer sales in Chicago, had failed to pay taxes to the Government on 20,000 barrels of beer.

The fact that it was illegal beer, given a high-powered kick by doubtful methods, apparently didn't interfere with the necessity of paying taxes.

U. S. to Fight

Although Capone is in a desolate prison in San Francisco Bay, the Government intends to go into court to try to collect the \$120,000 by civil suit.

The one-time gang leader's income presumably has been cut off since his conviction, but the Government indicated belief that the money might be available if it wins the civil action.

Capone's organization, despite the loss of his iron hand, supposedly continued to function after his incarceration.

There have been frequent reports that the beer czar provided for himself during the days when both money and lives of beer runners were cheap.

As a result, the Department of Justice will renew a search for funds which Capone is believed to have hidden away before he gave himself up for trial—expecting at least a light sentence if not freedom instead of the 11 years to which he was sentenced.

Serves Three Years

The government's action today

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Mr. Foxworth
Mr. Harbo
Mr. Joseph
Mr. Keith
Mr. Lester
Mr. Quinn ✓
Mr. Scheidt ✓
Mr. Schilder
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PITTSBURGH, PA.

31

AL CAPONE

U.S. Charges Gangster Failed To Pay Tax on 20,000 Barrels of Beer

The United Press
WASHINGTON, Aug. 30—The Government set out today to find and seize some of the fabulous fortune Al Capone was reputed to have hidden away before he was shuffled off to Alcatraz Prison to serve 11 years.

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Serves Three Years

The government's action today placed the first actual penalty on Capone for his alleged illegal liquor profit. Capone has served three years, three months and 26 days of the sentence for evading taxes on his gambling income.

He was sentenced in Chicago, Oct. 17, 1931. He began his sentence in Atlanta, May 4, 1932, and was transferred to Alcatraz Sept. 22, 1934.

Included in the illegal liquor tax assessment were numerous unnamed members of a well organized Chicago crime syndicate which Capone was alleged to have directed during the prohibition era.

Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

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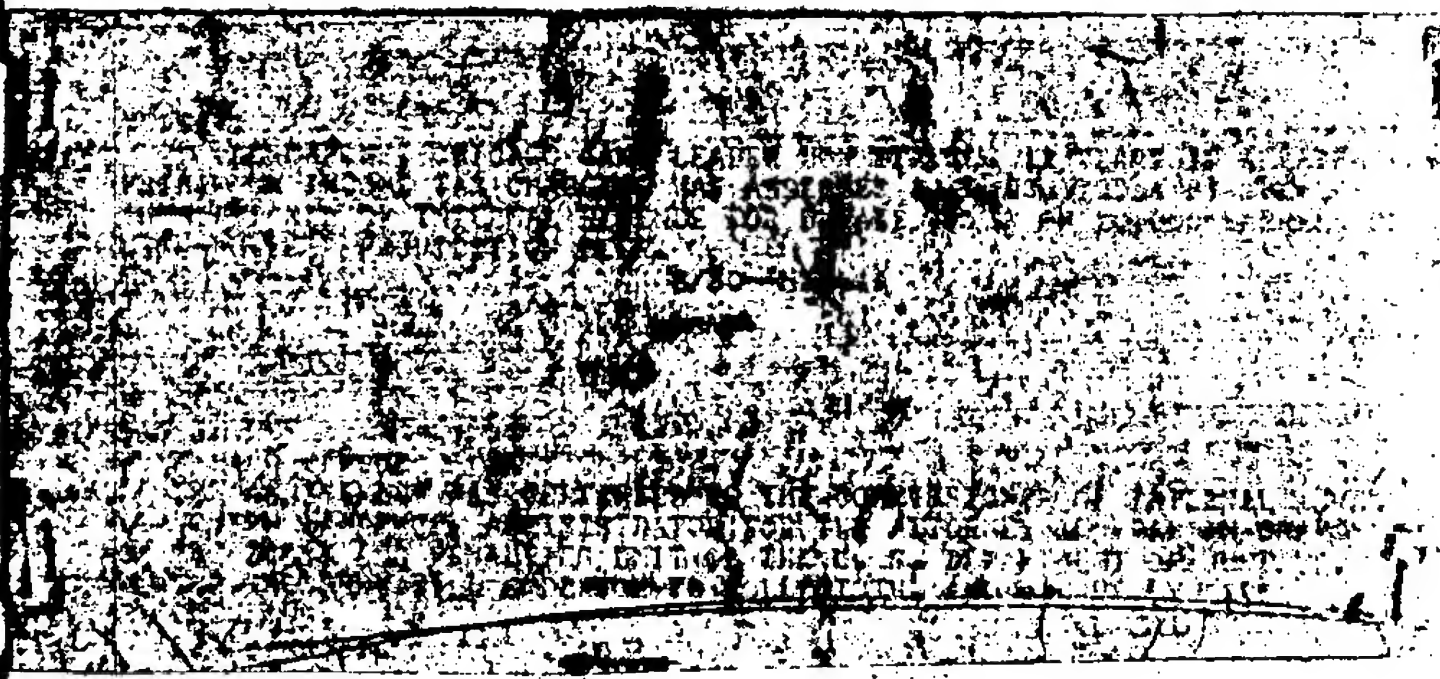
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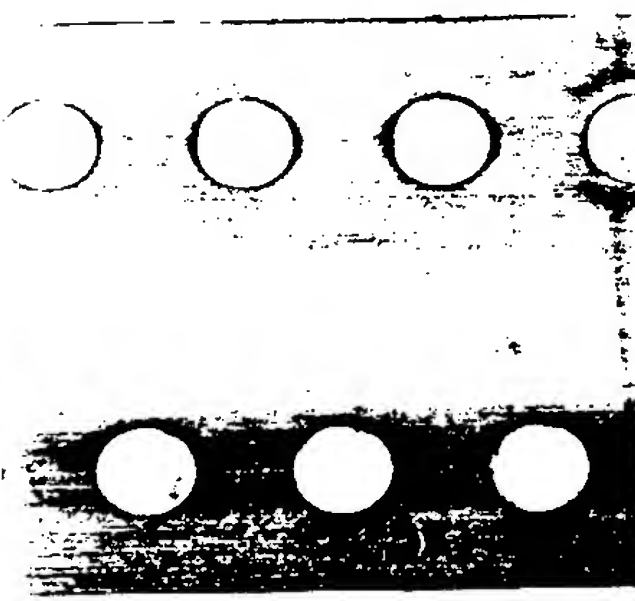
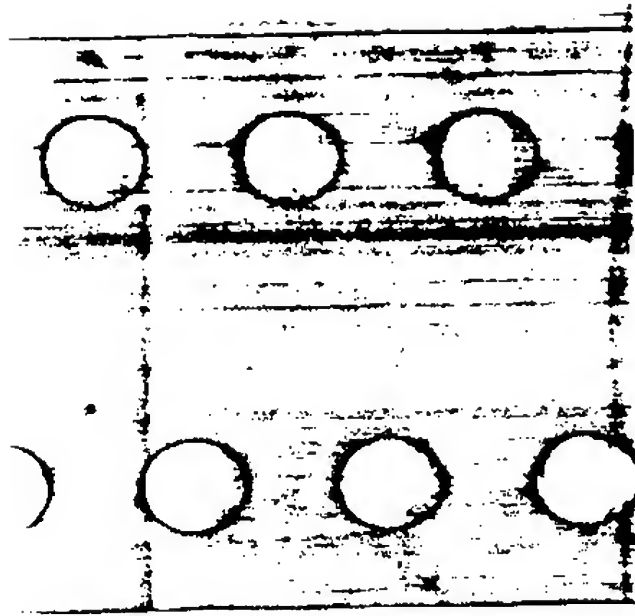
- Mr. Nathan
- Mr. Tolson
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- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
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Fair Enough

Westbrook Pegler

Mr. Capone's Raw Deal

A RECENT alumnus of Alcatraz Island, that bleak and often fogbound retreat where Al Capone abides, brings word to the outside world that this noted American is ill at ease under close restraint, his soul nibbled by repentance and his sense of fairness outraged. Mr. Capone is serving 11 years for neglect to yield the Government's rightful share of the wages of industry.

To be quite honest about it all, Mr. Capone is the victim of a raw, though expedient, deal. In the first place, 11 years is too harsh a sentence for so common and amiable a fault as the one at which he was convicted. If the same severe justice were imposed on all offenders against the existing and highly complicated schedules and customs which apply to affairs as prosperous and involved as his were the late leader of the prohibition revolt would have for company in his exile many of his former clients. The fact that he has not the spirit of compromise which has marked the adjustment of similar overights on the part of citizens in the respectable brackets suggests that in Capone's case the United States Government, unable to convict him of his major errors, determined to get him anyway. In fact, there is no doubt about that.

THE country owed Capone a debt of gratitude for his efficient opposition to the rule of Scott McBride and Bishop Cannon, but because he had found it necessary to use firm methods there was also a great popular impatience. He had become rich, and with wealth came arrogance, and it seriously annoyed honest toilers, including editorial writers, to observe their partner in crimes against the eighteenth amendment and the gambling laws so comfortably fixed. He was guilty of many incidental fractures of the peace, including, according to the gossip of his day, some routine homicides which removed unimportant and very undesirable citizens.

But he was tried at last on the charge of evading his income tax, and the prosecution was conducted in the waning days of a national Administration which was in a sullen mood toward him. Mr. Hoover's reign had elected to stand or fall on the issue of prohibition, and Capone had contributed much to the final repudiation of the eighteenth amendment and Hoover. Mr. Hoover's Administration saw this repudiation coming and took it all out on Capone, even though it was necessary to put the United States Government in the position of silent partner in all his vices.

Mr. Nathan	✓
Mr. Tolson	✓
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Mr. Edwards	
Mr. Egan	
Mr. Foxworth	
Mr. Harbo	
Mr. Joseph	
Mr. Keith	
Mr. Lester	
Mr. Quinn	✓
Mr. Schmitt	
Mr. Schilder	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

WASH. POST

AUG 21 1935

67-10000

FROM THE BIRMINGHAM (ALA.) POST
Aug. 20, 1935

Conviction Of Al Capone Was Really A Confession

Fogler Opines That Government Should Be Blamed Of
Itself To Pick Out Such A 'Common' Error On Which
To Send Public Enemy To Alcatraz

By Westbrook Fogler

Recent thumms of Alcatraz Island, that bleak and often fogbound retreat where Al Capone abides, brings word to the outside world that this noted American is still alive under close restraint, his mind nibbled by resentment and his sense of fairness outraged. Mr. Capone is serving 11 years for neglect to yield the government's financial share of the wages of crime.

So he again broods about it all. Mr. Capone is indeed the victim of a law, though expedient and just.

In the first place, 11 years is too harsh a sentence for so common and amiable a fault as the one of which he was convicted. If the same terms



FOGLER

justice were imposed on all offenders against the exacting and highly complicated schedules and sections which apply to affairs as prosperous and involved as his were the late leader of the prohibition revolt would have had company in his exile many of his former clients. The fact that he has not the spirit of compromise which has marked the adjustment of similar oversights on the part of citizens in the respectable brackets suggest that in Capone's case the United States Government, unable to convict him of his major errors, determined to get him anyway. In fact, there is no doubt about that.

The country owed Capone a debt of gratitude for his efficient

opposition to the sale of short McKrist and Bishop Cannon, but because he had found it necessary to use these methods there was also a great popular sympathy. He had become rich, and with wealth came arrogance, and it seriously annoyed honest toilers, including editorial writers, to observe their partner in crime against the 18th amendment and the gambling laws so comfortably fixed. He was guilty of many incidental fractures of the peace, including, according to the gossip of his day, some routine transgressions which removed him from the very undesirable citizenship.

CIRCUMSTANCES ALTER SUCH CRIMINAL CASES

But he was tried at last on the charges of evading his income tax, and the prosecution was conducted in the waning days of a National Administration which was in a sullen mood toward him. Mr. Hoover's reign had elected to stand or fall on the issue of prohibition, and Capone had contributed much to the final repudiation of the 18th amendment and Hoover. Mr. Hoover's Administration saw this repudiation coming and took it all out on Capone, even though it was necessary to put the United States Government in the position of silent partner in all his vices.

If he had been convicted of bootlegging, murder or extortion and the judge had thrown the book at him, he the flying now, on each count of his indictment he would have had no legitimate complaint and the Government would have had a much more respectable status in the case.

It is contended that his particular method of violating the income tax law was so defiant as to call for extreme punishment. On the contrary, Capone's violation was covered by extenuating circumstances. He didn't report his income at all. Ordinarily this is a serious offense which should be rebuked more vigorously than mere technical violations of the kind which noted financiers resort to. But had Capone reported his income he would have had to incriminate himself in the returns, giving full details as to the source of every dollar.

VICTORY OVER CAPONE IS A 'CONFESSION'

The law generally holds that a man may not be compelled to testify against himself, but the income tax is a great gossip with an insatiable curiosity, and the records are available as evidence against the subject should he pay his honest dues. It is poor sportsmanship to accept a share of a criminal's earnings and then send him to prison in return for his honest citizenship. And the department which sent Capone to prison for refusing to give up is the same which recently sent to prison a kidnaper's attorney for accepting a share of the ransom money for his fee.

Personal sympathy with Mr. Capone your correspondent has none, deeming it a great convenience that he is now removed, but a matter of regret that of all the crimes which could have been laid against him the whole United States was unable to prove so much as a drunk and disorderly charge. This except, of course, the year which he spent in a Pennsylvania jail house for carrying a pistol, which is commonly understood to have been a cooling-out period at a time when he was "hot."

Like the gold clause decision, the victory over Al Capone is more a confession than a boast.

Mr. Nathan	✓
Mr. Tolson	✓
Mr. Baughman	
Chief Clerk	
Mr. Clegg	
Mr. Coffey	
Mr. Edwards	
Mr. Egan	
Mr. Foxworth	
Mr. Harbo	
Mr. Joseph	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Scheidt	
Mr. Schilder	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

ed by H. J. Cronin

The Washington News
August 14, 1935.

Mr. Nathan	✓
Mr. Tolson	✓
Mr. Clegg	
Mr. Coffey	
Mr. Edwards	
Mr. Egan	
Mr. Foxworth	
Mr. Harbo	✓
Mr. Joseph	✓
Mr. Keith	
Mr. Lester	✓
Mr. Quinn	
Mr. Scheidt	
Mr. Schilder	✓
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

V. Ray
W. H. A. S.

Convict Says 'Silly Rules' At Alcatraz Irk Al Capone

Copyright, 1935, by United Press

SAN FRANCISCO—A sordid version of life in Alcatraz Island prison in San Francisco Bay was told yesterday by William Henry Ambrose, former narcotics dealer who was removed for deportation to England.

Ambrose told a story of a prison of almost continual silence, where even hard characters like Al Capone, one-time Chicago vice lord, are "burning up over the rules and regulations."

He revealed that Capone, first of America's "No. 1 Public Enemies," has been promoted to prison librarian.

"Capone has been thrown in the hole three or four times for talking," Ambrose said. "Not a word can be spoken by the convicts in line, at the table, at work or in their cells. We got to talk once a week—on Saturday afternoon, from 1 to 3:30, when we

were allowed out in the yard."

"The guards try kindergarten stuff on prisoners who are supposed to be the worst in America. Silly rules like this:

"If you leave bits of food on your place, you lose one meal. So if you take a frankfurter and leave the skins because they're too tough, you lose one meal the next day.

"No radios, not a single newspaper. You can buy magazines, but they come to you with pages and articles torn out. Your letters come to you censored and retyped. Out of a three-page letter you may get six or seven lines.

"It's the silly, aggravating things—such as grabbing the safety razor back from you just as soon as you've finished shaving in cold water—that gets on your nerves."

EAT / 20

67-10

30

Mr. Nathan ✓
 Mr. Tolson ✓
 Mr. Baughman ✓
 Chief Clerk ✓
 Mr. Clegg ✓
 Mr. Coffey ✓
 Mr. Edwards ✓
 Mr. Egan ✓
 Mr. Foxworth ✓
 Mr. Harbo ✓
 Mr. Joseph ✓
 Mr. Keith ✓
 Mr. Lester ✓
 Mr. Quinn ✓
 Mr. Scheidt ✓
 Mr. Schilder ✓
 Mr. Tamm ✓
 Mr. Tracy ✓
 Miss Gandy ✓

TORRIO ACCUSED IN 1ST A.D. AGAIN

**Mahoney Spokesmen Repeat
Charge Old Capone Ally Is
Seeking Power.**

Spokesmen for David A. Mahoney, Alderman and Tammany leader of the First Assembly District, eastern half, repeated today charges made in an organization meeting last night that Johnny Torrio, old-time New York and Chicago racketeer and associate of Al Capone, is interesting himself in the leadership fight on behalf of the

forces led by Albert Marinelli, County Clerk and leader of the Second Assembly District.

Torrio and Marinelli, it was alleged by Lewis F. X. Santangelo, have formed an alliance to extend Marinelli's sway farther down on the east side.

"Torrio," said Mr. Santangelo, "ordered Marinelli to put a certain man on the ticket in his own district if he knew what was good for him."

Mr. Santangelo is a candidate for Alderman.

Several days ago Mr. Santangelo's brother, Robert V. Santangelo, Assistant District Attorney, warned the Marinelli forces in a speech to withdraw their ticket in the First District by August 16—last day for declining nominations—or take the consequences. He did not specify the consequences. Last night, Alderman Mahoney, addressing a rally at the Downtown Club, 59 Madison

St., put the warning into more concrete form.

"The men opposing me are led by hoodlums," he said, "and before long the Dewey investigation may be digging into something besides vice."

Morris J. Solomon, Assembly candidate, attacked Clerk Marinelli, attempting to dictate to districts other than his own.

NEW YORK

Forwarded by New York Office

AUG 14 1935

POLITICIANS ACCUSED OF USING GANGSTERS

**Former Capone Men Alleged to
Be Active in First A. D.
Leadership Fight.**

Charges that former Capone gangsters were invading the eastern part of the First Assembly District in an attempt to wrest the leadership of the area from David Mahoney, present Democratic leader, and place it in the hands of Alfred Marinelli, Democratic leader of the Second Assembly District, were made last night at a rally at the Downtown Club, 50 Madison Street.

The meeting, attended by more than 1,500, was addressed by Lewis F. X. Santangelo and Morris J. Solomon, Aldermanic and Assembly candidates, respectively, from the district, and Mr. Mahoney, president of the club.

Mr. Santangelo contended that "Capone gangsters, led by John Torrio, who brought Capone to Chicago," had allied themselves with Mr. Marinelli in the fight over the leadership of the district. He asserted that Torrio had ordered Mr. Marinelli to "put a certain man on the ticket in his own district if you know what's good for you."

Mr. Mahoney declared he would oppose any attempt by Mr. Marinelli to assume control of his district. He said that "the men opposing me are led by hoodlums and before long the Dewey investigation may be digging into something besides vice."

The contention that Mr. Marinelli was "dictating policies outside of his own district" was made by Mr. Solomon. The clubhouse was filled to capacity and many heard the addresses through loud-speakers in the street.

Mr. Nathan
Mr. Tolson
Mr. Baughman
Chief Clerk
Mr. Clegg
Mr. Coffey
Mr. Edwards
Mr. Egan
Mr. Foxworth
Mr. Harbo
Mr. Joseph
Mr. Keith
Mr. Lester
Mr. Quinn
Mr. Scheidt
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

THE NEW YORK TIMES

Forwarded by New York Office

AUG 14 1935

THE WASHINGTON NEWS
AUG? 14, 1935

Convict Says 'Silly Rules' At Alcatraz Irk Al Capone

Copyright, 1935, by United Press

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Ambrose told a story of a prison of almost continual silence, where even hard characters like Al Capone, one-time Chicago vice lord, are "burning up over the rules and regulations."

He revealed that Capone, first of America's "No. 1 Public Enemies," has been promoted to prison librarian.

"Capone has been thrown in the hole three or four times for talking," Ambrose said. "Not a word can be spoken by the convicts in line, at the table, at work or in their cells. We got to talk once a week—on Saturday afternoon, from 1 to 2:30, when we

were allowed out in the yard."

"The guards try kindergarten stuff on prisoners who are supposed to be the worst in America. Silly rules like this:

"If you leave bits of food on your place, you lose one meal. So if you take a frankfurter and leave the skins because they're too tough, you lose one meal the next day.

"No radios, not a single newspaper. You can buy magazines, but they come to you with pages and articles torn out. Your letters come to you censored and retyped. Out of a three-page letter you may get six or seven lines.

"It's the silly, aggravating things—such as grabbing the safety razor back from you just as soon as you've finished shaving in cold water—that gets on your nerves."

Mr. Nathan ✓
Mr. Tolson ✓
Mr. Baughman
Chief Clerk
Mr. Clegg
Mr. Coffey
Mr. Edwards
Mr. Egan
Mr. Foxworth
Mr. Harbo
Mr. Joseph
Mr. Keith
Mr. Lester
Mr. Quinn
Mr. Scheidt ✓
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

\$120,000 TAXES LEVIED AGAINST CAPONE'S GANG

**Government Seeks to Collect
on Pre-Repeal Chicago Beer;
14 Henchmen on U. S. Lists**

The first Federal move to collect revenue taxes on the huge stream of illicit beer which flowed through Chicago in the heyday of "Scarface" Al Capone came today with an assessment of \$120,000 against the Capone gang.

Certification of the assessment against Capone, who is now serving an 11-year term in Alcatraz Prison, and 14 members of his band, was made by Joseph Lawrence, administrator for the Attorney General in charge of taxes and penalties.

That this will be followed by additional assessments until the Government is satisfied it has collected on every drop of Capone beer was indicated by Lawrence. He said:

STILL STUDY EVIDENCE

"We are still studying additional evidence. The assessment is being made against 19,984 1/2 barrels of beer which, we have established, was handled by the Capone gang."

If each of the 15 members of the gang pays his proportionate share of the \$120,000, which is at the rate of \$8 per barrel, he will pay \$8,571.42. Lawrence added:

"Of course, not every one of these men may now be in a position to pay. If each cannot meet his share, the one who has the largest assets must bear the brunt of the penalty."

FILE ON PALACE

Search of the Treasury Department for funds and other assets has been carried on since Capone's conviction. Though the Government has filed a tax lien against the Florida winter home of Capone, so far as can be learned, few other assets have been found.

The others assessed with Capone are the gang leader's brother, Ralph; Bert Delaney, August Dold, Charles Fuehrmeyer, Joseph Fusco, Jack Guzik, George A. Howlett, Albert Johnson, Frank and Nicholas Juffra, Herman Levine, Mike Lopriati, John J. Nolan, and Steve Swoboda.

Mr. Nathan	✓
Mr. Tolson	
Mr. Baughman	
Chief Clerk	
Mr. Clegg	
Mr. Coffey	
Mr. Edwards	
Mr. Egan	
Mr. Foxworth	
Mr. Harbo	
Mr. Joseph	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Scheidt	✓
Mr. Schilder	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

U. S. to Sue Al Capone for Tax \$120,000 Sought on Beer Sales

**Gangster Broke, Lawyer
Tells U. S. Agents
Others Face Levy.**

Alphonse Capone, whose current residence, Alcatraz Prison, precludes any possibility of his dodging a process server, is to be sued by the Government for \$120,000, the Department of Justice announced yesterday.

"Scariare" Al, who is serving time because he failed to report in full his income from the sale of booze and other rackets during his prohibition regime in Chicago, is now to be requested, through the law, to pay internal revenue taxes on some of the liquor he handled in that era.

The assessment which the Government will attempt to collect from Capone and associates by civil action is based upon internal revenue taxes on some 20,000 barrels of high-powered beer known to have been manufactured and sold by his syndicate between 1921 and 1932. All of the barrels counted were reported in raids or seizures in that period.

Capone's lawyer, Michael J. Ahearn, said in Chicago that his client is "supposed to be broke." However, Joseph Lawrence, administrator of the Department of Justice's tax unit, said that the Government might collect the entire tax from any member of the mob who has money.

Similar actions against other kingpin bootleggers have been taken previously. Among those assessed were Irving "Waxey" Gordon, Max Hessler, Mossir Greenberg and Heine Wainer. The first

three, leaders of a New Jersey-New York syndicate, were assessed \$228,847 on 120,000 proof gallons of illegal alcohol about two months ago.

Mr. Nathan	✓
Mr. Tolson	
Mr. Baughman	
Chief Clerk	
Mr. Clegg	
Mr. Coffey	
Mr. Edwards	
Mr. Egan	
Mr. Foxworth	
Mr. Harbo	
Mr. Joseph	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Scheidt	✓
Mr. Schilder	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

63-13327

WASH. POST

69-140 A

47

PRISON RULES 'BURN' CAPONE

World's Hardest Prison
San Francisco Bay
Alcatraz

Copyright, 1935, by United Press
SAN FRANCISCO, Aug. 13—A
horrid version of life in Alcatraz
island Prison in San Francisco Bay
was told today by William Henry
Ambrose, former narcotics dealer,
who was taken from Alcatraz for
transportation to England.
Ambrose told a story of a prison
with almost continual silence, where
even hard characters like Al Ca-
pone, the late Chicago vice lord,
were "burning up over the rules and
regulations."
Ambrose, heavily guarded, was
boarded a prison car with 25 other
prisoners after spending a year
in Alcatraz.
The prison-imposed silence rules,
permitting the convicts to talk only
once a week, and "kindergarten
ticks" of Alcatraz guards are the
hardest to bear of all prison regu-
lations, Ambrose said.
He revealed that Capone, and 25
other "big boys" of the "Prohibition
era" were transported to prison Alca-
traz.
The former Chicago gang overlord,
however, "is burning up at the re-
strictions of that Alcatraz mad-
house," he said.
"Whoever the convict was who
said that Al is losing his mind over
this was absolutely wrong, though,"
he added. "Al is not cracking up."
"Capone has been thrown in the
hole three or four times for talk-
ing," Ambrose said. "The non-talk-
ing rule is the hardest thing in
(Continued On Page 4, Column 4)

Capone Made Librarian At Alcatraz Pen

World's Hardest Prison
San Francisco Bay
Alcatraz

(Continued From Page One)

Alcatraz life for him, and for every
prisoner there.

"But Capone is going up
he worked first in the dry clean-
ing shop and, I think, in the shoe
shop. Now he has been promoted
to the library."

One Talk Per Week

"Not a word can be spoken by the
convicts in the cell, at the table, at
work or in their cells. We get to
talk once a week on Saturday
afternoon from 1 to 2:30 when we
were allowed out in the yard. Noth-
ing more. Of course, we'd try
whispering out of the corner of our
mouths and we'd use a signal sys-
tem, but everyone who's caught
is punished."

"The guards try kindergarten
stuff on prisoners who are supposed
to be the worst in America. Billy
Capone like this:

"If you leave this of food on your
plate, you lose your meal. You've
got to eat everything you take at
the cafeteria style tables. So if
you take a frankfurter and leave
the skin because they're too tough,
you lose one meal the next day."

No Radios, No Papers

"No radios, not a single news-
paper. You can buy magazines,
but they come to you with pages
and articles torn out. You can't
pass a magazine to a buddy in
another cell, have to turn it over
to a guard with a prisoner's num-
ber marked on it."

"Your letters come to you han-
dled and retyped. Can't get the
originals. Out of a three-page let-
ter you may get six or seven lines."

"The hopelessness gets you. Ca-
pone feels it. Everybody does. At
Alcatraz you're marked as a desper-
ado. You know you'll never get a
parole... not a chance for any-
body."

It's a Devil's Island

Ambrose, alias Frank Chapman,
served out of Leavenworth Peni-
tentiary once, and escaped a prison
train another time.

A seasoned escape artist he be-
lieves possibility of escaping the
granite prison would be remote.

"It's a devil's island all right,"
he said.

Mr. Nathan	✓
Mr. Tolson	
Mr. Baughman	
Chief Clerk	
Mr. Clegg	
Mr. Coffey	
Mr. Edwards	
Mr. Egan	
Mr. Foxworth	
Mr. Harbo	
Mr. Joseph	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Schmidt	✓
Mr. Schilder	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

POST OFFICE BOX 100
PITTSBURGH, PA.

17-180

Mr. Nathan	✓
Mr. Tolson	
Mr. Egan	
Chief Clerk	
Mr. Clegg	
Mr. Coffey	
Mr. Edwards	
Mr. Egan	
Mr. Foxworth	
Mr. Harbo	
Mr. Joseph	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Scheidt	✓
Mr. Schilder	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

Capone Is Prison Librarian Amid Week-Long Silences

Narcotics Dealer, Just Released To Be Deported, Denies
Racketeer Is Breaking Under Harsh Regulations—
But He Is "Burning Up."

Copyright, 1935, by the United Press.

SAN FRANCISCO, Aug. 18.—A sordid version of life in Alcatraz Island prison in San Francisco Bay was told today by William Henry Ambrose, former narcotics dealer, who was taken from Alcatraz for deportation to England. He served a year in the prison.

Ambrose told a story of a prison of almost continual silence, where even hard characters like Al Capone, one-time Chicago vice lord, are "burning up over the rules and regulations."

The prison-imposed silence rules, permitting the convicts to talk only once a week, and "kindergarten tricks" of Alcatraz guards are the hardest to bear of all the prison regulations, Ambrose said.

He revealed that Capone, first of America's "No. 1 public enemies," had been promoted to prison librarian.

The former Chicago gangster, how-

ever, "is burning up at the restrictions of that Alcatraz madhouse," he said.

"Whoever the convict was who said that Al is losing his mind over it was absolutely wrong, though," he added. "Al is not cracking up under the treatment."

Good From Evil

It has been said that some good is in all evil and some evil in all good. No American can be particularly proud of the picture on the right, showing Uncle Sam squeezing out profits from bootleggers, racketeers and other criminals.

That this Government should interest itself in criminals and hunt them down with "G-men" ONLY when those criminals have failed to pay income tax, dividing their criminal earnings with Uncle Sam, seems unbelievable.

You see the good is mixed with evil, when told that law forbids Uncle Sam to interfere with criminals within State limits unless such criminals owe him money. When they do owe him money it is possible for the Government's long arm to reach out and gather in delinquent taxpayers wherever they are found. Such reaching out put the arch-criminal, Capone, in a cell, deep down in the rock of Alcatraz Prison. This makes it possible for the Government to hunt racketeers in any city where they fail to "divide." A strange, but a useful source of income.

Sharing the Loot



- Mr. Tolson
- Mr. Clegg
- Mr. Coffey
- Mr. Edwards
- Mr. Egan
- Mr. Harbo
- Mr. Keith
- Mr. Lester
- Mr. Quinn
- Mr. Schilder
- Mr. Skid
- Mr. Smith
- Mr. Tamm
- Mr. Tracy
- Mr. Gurnea

NEW YORK TIMES

AUG 1 1934

68-180-A

THE MISSION OF THE MIDGET.

"Link Fernekes to Robbery." That headline was not among those listed in these columns last January as certain to appear in this glorious year of New Deals and new everything that we have every year. Our system went wrong. The tea leaves did not reveal that Mr. "Midget" Fernekes would so soon become weary of his retreat at Joliet and resume active business.

From now on until Mr. Fernekes resumes closer relations with the law-enforcing authorities his name may be expected to appear in the reports of every crime presenting difficulties of solution. Out of Joliet, Mr. Fernekes will take up the burden laid down by Mr. Capone when that illustrious hoodlum left for the south and later took up residence in California. It is a necessary job and Mr. Fernekes is just the man for it. Lack of a dramatic and mysterious goat to assume responsibility for unsolved crimes has been severely felt ever since Mr. Capone went away from here.

When Al was among us his name was magic gilt to enliven many a dull police incident. In addition to building the pyramids, striking Billy Patterson and kidnaping Charley Ross, Mr. Capone or some of his sinister gangland henchmen stole the baby's pacifier, chased the family cat and, according to theory, committed every crime that stumped the police.

Later John Dillinger qualified for a brief period as the omnipresent omnibus of banditry, raiding banks, grocery stores and roadhouses at all points of the compass and at all points on the dial of the clock, simultaneously and serially. "Baby Face" Nelson pinch-hit for a while after the "G" men rubbed out John, but soon there was no "Baby Face" either.

Now comes the "Midget," tripping out of the long house at Joliet as blithesome as Sadie Thompson in "Rain." And aren't the coppers and the head-hunters glad!

Mr. Nathan	✓
Mr. Tolson	✓
Mr. Baughman	
Chief Clerk	
Mr. Clegg	
Mr. Coffey	
Mr. Edwards	
Mr. Egan	
Mr. Foxworth	
Mr. Harbo	
Mr. Joseph	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Scheidt	✓
Mr. Schilder	✓
Mr. Tamm	✓
Mr. Tracy	✓
Miss Gandy	

CHICAGO DAILY NEWS

August 9, 1935

69-180 A

**AL CAPONE 'TOO HARD'
FOR PRISON BALL TEAM**

San Francisco, Cal., July 2. —(AP) —Al Capone was described here today as too hard for the soft ball team organized from prisoners in Alcatraz prison.

Prison officials declined to comment on reports published in the Chronicle saying Capone had incurred the wrath of fellow prisoners because he tried to order them about as though they were members of his notorious Chicago gang of the prohibition era.

Capone, serving a sentence for income tax evasion, was reported also to have been visited by his wife and their son, who were forced to converse with him through a voice tube.

Official announcements from the prison for "incorrigibles," a mile out in San Francisco bay, have been limited strictly to routine matters.

CHICAGO DAILY NEWS

JUL 2 - 1935

46

Mr. Nathan

Mr. Tolson

Mr. E. A. Tamm

Mr. Clegg

Mr. Glavin

Mr. Edwards

Mr. Egan

Mr. Foxworth

Mr. Hendon

Mr. Lester

Mr. Quinn

Mr. Nease

Mr. Rosen

Mr. Tracy

Mr. Carson

Mr. Coffey

Mr. Hendon

Mr. Lester

Mr. Quinn

Mr. Nease

Mr. Rosen

Mr. Tracy

Mr. Carson

Mr. Coffey

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Mr. Quinn

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Mr. Carson

Mr. Coffey

Mr. Hendon

Mr. Lester

Mr. Quinn

Mr. Nease

Mr. Rosen

Mr. Tracy

Mr. Carson

Mr. Coffey

Mr. Hendon

Mr. Lester

Mr. Quinn

Mr. Nease

Capone Too 'Hard,' Ruled Off Prison Softball Team

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THE CHICAGO AMERICAN

JUL 2 - 1935

47

- Mr. Nathan.....
 Mr. Tolson.....
 Mr. Backus.....
 Mr. Baughman..
 Chief Clerk.....
 Mr. Clegg.....
 Mr. Coffey.....
 Mr. Edwards.....
 Mr. Egan.....
 Mr. Harbo.....
 Mr. Keith.....
 Mr. Lester.....
 Mr. Quinn.....
 Mr. Schilder.....
 Mr. Smith.....
 Mr. Tamm.....
 Mr. Tracy.....
 Miss Gandy.....

Nobleman's Art a Jolt to Gangs

Hastings' Original Hangs in Glencoe Home

"Who's that big blonde? How does SHE get on the lap?"

Indignant survivors of the old Al Capone "syndicate" muttered questions like that yesterday when copies of Viscount Hastings' mural painting, "The History of Bootlegging," completed the journey from London to Chicago.

For there in the middle of the picture sits "Scarface Al" himself—white spats, yellow tie, pearl fedora, black cigar—with a mountainous beached darling draped on his left knee.

"She ain't no syndicate moll . . . Al never gave a tumble to a skirt like that . . . He wouldn't give her a job washin' glasses in a speak . . ."

Such were the bitter comments in the underworld. The boys admitted, however, that the rest of the picture wasn't so bad. It shows speakeasies, hi-jacking, rum running and some pretty neat handling of six-guns and "tommyes."

As the copies arrived it was learned last night that the original painting has been here all the time and forms a mural in the basement bar of the Glencoe home of James M. R. Glazer, grain broker, whose guest Viscount Hastings was during the 1933 World's Fair, at which time he painted it.

69-160-A

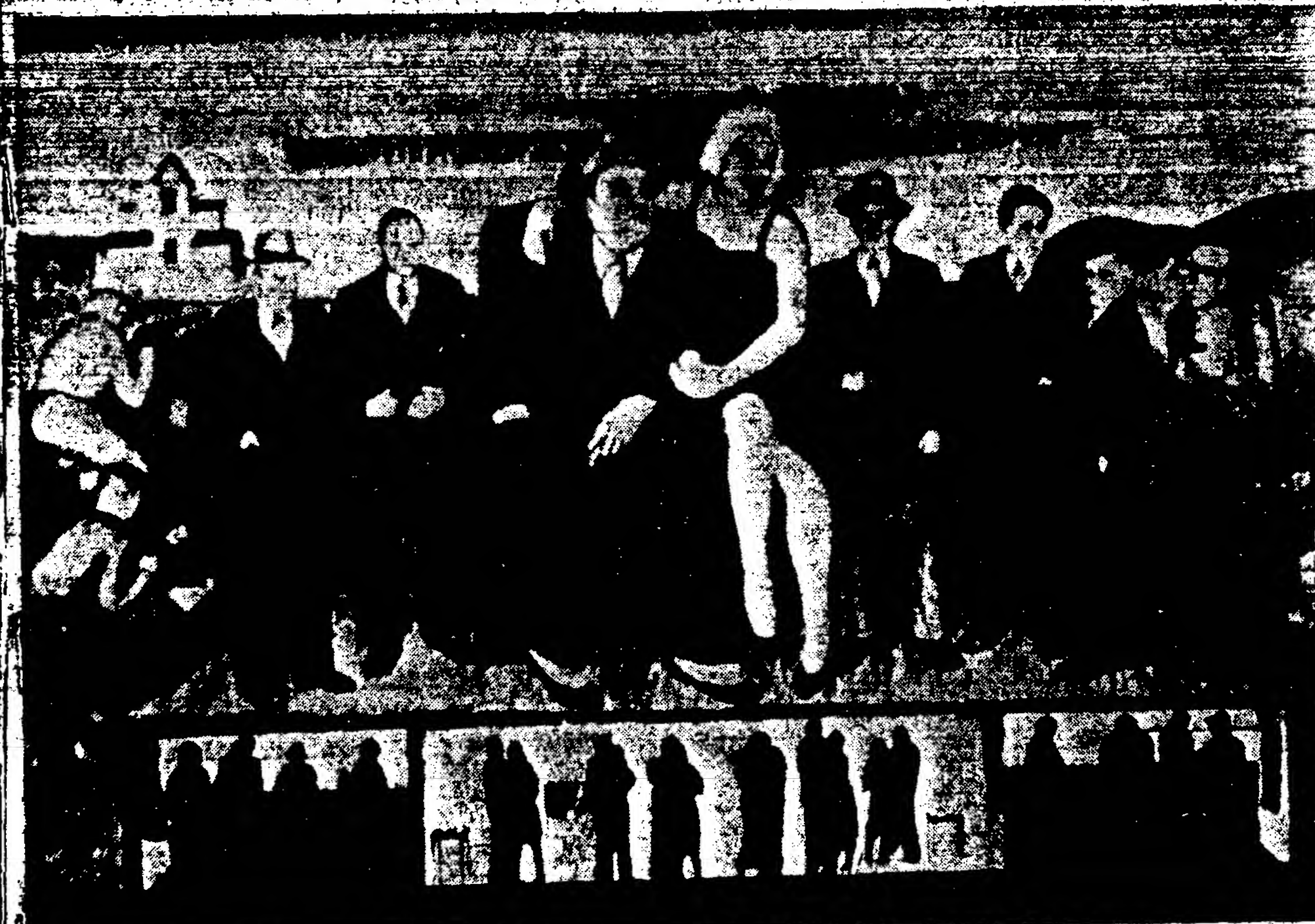
MAY 2 1935

48

CAPONE MUSCLES IN ON ART

King of the Underworld Put
on Canvas by British Peer

Viscount Hastings
The History of
Bootlegging



PAINTED IN LONDON—A section of Viscount Hastings' mural painting, "The History of Bootlegging," which has reached Chicago from London, causing favorable and unfavorable comment.

69-180-A

49


A high-contrast, black and white photograph of a group of people, likely a family, standing in a row. The image is heavily degraded with significant noise and artifacts, making details difficult to discern. The group appears to be outdoors, possibly in front of a building or a large structure.

69-180-A

The of Painting British Peer

LONDON, April 27.—The picture
 safely tucked away in an American
 gallery is the work of a
 rural painter
 entitled "The His-
 tory of Bootleg-
 ing," by Vis-
 count Hastings.

The painter,
 son and heir of
 the earl of Hunt-
 ington, depicted
 the scar faced
 one, pompous
 and wearing
 spats, in his
 palmy days.



The picture is
 shown with a
 platinum blonde
 on his knee and
 five scowling henchmen in the back-
 ground, their hands thrust omi-
 nously in their pockets. Apparently the
 federal men are about to burst into
 the room. The blonde is frightened
 and Capone himself has one hand in
 his pocket.

Pictures Bootleg Industry.
 Starting at the left, the mural shows
 a murky waterfront scene with a ghost
 ship riding in the background and five
 husky roustabouts unloading sacks of
 contraband whisky from a speed
 launch. Others, clutching revolvers
 and a submachine gun, are apparently
 beating off an attacking hijack party.
 The police are coming, however—
 two of them, in a rowboat with the
 Stars and Stripes waving in the breeze.
 Panels show three speakeasy scenes,
 and then the panorama turns rural,
 with huge trucks lumbering along the
 moonlit countryside and grim jaws
 then blazing away at each other with
 tommyguns. Three airplanes swoop
 low overhead. Everything appears to
 be in the district except the cavalry.

Sprayed with a Gun.
 The whole work of the artist, ap-
 propriately enough, was sprayed with
 a gun. That is the way the viscount
 works. He uses a paint gun.
 "It is faster and really very effec-
 tive," said Hastings.

A graduate of Eton and Oxford, his
 name is Francis John Lawrence
 Hastings, Plantagenet, Viscount
 Hastings, and of the House of
 Plantagenet, which ruled England
 more than 300 years.

- Mr. Backus.....
 Mr. Baughman.....
 Chief Clerk.....
 Mr. Clegg.....
 Mr. Coffey.....
 Mr. Edwards.....
 Mr. Egan.....
 Mr. Harbo.....
 Mr. Keith.....
 Mr. Lester.....
 Mr. Quinn.....
 Mr. Schilder.....
 Mr. Smith.....
 Mr. Tamm.....
 Mr. Tracy.....
 Miss Gandy.....

69-15-5
 ES
 CHICAGO DAILY TRIBUNE
 APR 28 1936

Nathan.

Government Puts Away Record of His Income.

Max Compromise Makes Use of Ledger Unnecessary.

The volume, certainly a collector's item, is a first-hand account of one of the erstwhile gang lord's business ventures and had been planned as evidence of the Government's income tax claim against Capone.

Across a page marked "December, 1924," in the ledger, appears the notation:

It showed "Town paid \$6,557.42." Ralph and Pets each received \$1,624.25, seemingly being minor stockholders. Frank, J & A, Lew and D— each got \$5,750.22.

The full names of the business men were not written in the otherwise completed ledger, but government attorneys said the men who made the entries associated the recorded names and initials with such names as Ogawa, Gunk, Pope, Smith, Sa. Baker, etc., Sumovici O'Banion.

[illegible]

an

69-180-A^{ER}

Mr. Nathan
Mr. Backus
Mr. Clerk
Mr. Coffey
Mr. Edwards
Mr. Harbo
Mr. Keith
Mr. L
Mr. O
Mr. S

Mr. Baughman
Mr. Coffey
Mr. Tracy

REDUCE CAPONE U. S. TAX DEBT TO \$220,980

Al Capone has agreed with the United States government that he owes \$220,980 in disputed income taxes

for the years 1924 to 1929, inclusive.

An announcement was made here yesterday that special attorneys for the treasury department and counsel for the former beer czar have agreed to stipulations reducing the tax claimed by the government from \$222,842 to \$220,980.

A public hearing on Capone's appeal from the government levy set for tomorrow before Judge J. Russell Leech of the board of tax appeals was canceled.

Instead Judge Leech will return from Washington Monday, March 25. The government will then ask that

judgments be entered against Capone and three other gangsters who agreed to stipulation reductions last week.

By entering the stipulation agreements, Capone, through his attorney, Michael Ahern, admits only that he owes a certain amount of money in taxes. Collection of this judgment must be made by Collector of Internal Revenue Carter Harrison.

It was conceded by government officials that collection of the entire judgment might prove difficult, because gangsters rarely have visible assets. There are liens against Capone's equity in his home at Miami, but its sale, it is said, would wipe

out only a small part of his indebtedness. Agents of the investigating unit of the internal revenue department must ferret out his other assets, the officials said.

The civil tax case against Capone has been investigated since December by Elden McFarland, special attorney for the treasury department, and his assistants, John E. Marshall and Bernard E. Daniels.

They had gone to great lengths, obtaining depositions from 21 persons in Florida, impounding the books of former Capone gambling houses and other illegal interests, and subpoenaing numerous bank clerks. It was

believed that Capone's counsel agreed to the stipulation to avoid, not only the expense of a lengthy hearing, but further revelations of the former gang lord's many illegal activities.

The stipulation fixed Capone's net income for the six years at \$703,496, and the amount of taxes and penalties at \$220,980. Capone is in Alcatraz prison, serving an 11 year sentence for violation of the income tax laws. Last week stipulations reducing their total tax claims from \$1,251,698 to \$529,062 were agreed to by Ralph Capone, Jack Guzik, and James V. Mondt.

Chicago Tribune
69-180-A
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Mr. Nathan.....
 Mr. Tolson.....
 Mr. Clegg.....
 Mr. Baughman..
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 Mr. Coffey.....
 Mr. Edwards.....
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 Mr. Harbo.....
 Mr. Keith.....
 Mr. Lester.....
 Mr. Quinn.....
 Mr. Schilder.....
 Mr. Tamm.....
 Mr. Tracy.....
 Miss Gandy.....

6217

DE GRAZIA ON WAY TO U. S. PRISON; CAPONE HOODLUM

Rocco De Grazia, alleged Capone hoodlum, surrendered yesterday to United States Marshal William H. McDinnell and was taken with 15 other prisoners to Leavenworth penitentiary to begin serving a sentence of 18 months imposed recently by Federal

Judge Charles E. Woodward for income tax evasion.

Among the others taken to prison was Paul Leo Gorski, 31 years old, alias "Dr." Paul Wagner. Gorski was sentenced yesterday to two years in Leavenworth by Federal Judge William H. Holly on charges of violating the Harrison narcotic law and impersonating a government officer. He pleaded guilty.

Gorski was arrested in January, 1934, at 6205 Ravenswood avenue after the state department of registration

and education had complained that he had practiced medicine without a license. He was convicted in state court and sentenced to six months in the county jail in this case.

Assistant United States Attorney, Mary Bailey told Judge Holly yesterday that Gorski forged the names of legitimate doctors to prescriptions in order to get narcotics which he sold to "patients." The federal impersonation charge grew out of Gorski's representation that he was a member of the army medical reserve.

Chicago Tribune

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Mr. Harbo

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Mr. Lester

Mr. Quinn

Mr. Schilder

Mr. Tamm

Mr. Tracy

Miss Gandy

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Mr. Keith

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Mr. Tracy

Miss Gandy

AL CAPONE

Report Mrs. Capone Living Near Gangster's Prison

San Francisco, Cal., Feb. 9.—(AP)—

The Chronicle says Mrs. Al Capone is living in the San Francisco bay section under an assumed name to be near her husband, the former Chicago gangster. Capone is serving an 11-year sentence on Alcatraz Island, federal "escape proof" penitentiary for incorrigibles.

Chicago Tribune

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Mr. Lester.....
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Mr. Schilder.....
Mr. Tamm.....
Mr. Tracy.....
Miss Gandy.....

Mr. Nathan.....
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Mr. Schilder.....
Mr. Tamm.....
Mr. Tracy.....
Miss Gandy.....

GANGSTER GETS 18 MONTH TERM FOR TAX EVASION

De Grazia of Old Capone Mob Pleads Guilty.

Rocco De Grazia, once a member of the old Capone gang, was sentenced to 18 months in Leavenworth penitentiary and fined \$1,000 yesterday by Federal Judge Charles E. Woodward on a charge of income tax evasion. De Grazia pleaded guilty and admitted an income of \$19,932 for the years of 1929 and 1930.



De Grazia's brother, Nicholas, who pleaded guilty to a charge of failing to file income tax returns for 1929 and 1930, was fined \$250 and placed on probation for one year.

Conviction of De Grazia left but one major income tax case for trial, court attachés pointed out. The defendant in this case is William H. Malone, former chairman of the Illinois tax commission, who is reported to be a fugitive in Germany.

Deaths Mock Disasters.
Defendants in three other cases, which promised sensational disclosures, escaped prosecution through death. They are Ted Newberry, north side gang chief, who was found slain near Chesterton, Ind., Jan. 7, 1933; Moe Rosenberg, prominent politically in the 24th ward, and Tom Maloy, rear of the Motion Picture operators union, shot to death Monday.

The government was preparing to move for indictment of Newberry at the time he was slain. It was revealed yesterday. Rosenberg, who was charged with failure to pay a tax of \$65,000 for the years of 1929 and 1930, died following an operation in January, 1934, shortly after his indictment.

Assistant Attorney General Leslie E. Salter announced yesterday that the government would move against Maloy's estate in an effort to collect tax of \$81,000, which the indictment charged that he owed for the years from 1929 to 1932.

O'Hara Case to Be Pushed.

It also was announced yesterday that the death of Maloy would not weaken the perjury case against Ralph O'Hara, organizer for the moving picture union. United States Attorney Dwight H. Green said that he felt confident of a conviction without presence of Maloy. O'Hara was indicted for perjury for his testimony during the investigation by the federal grand jury of the Maloy tax payments.

In the De Grazia case Assistant United States Attorney E. R. Campbell told the court that Rocco admitted operating 18 handbooks, most of them in Melrose Park. He also admitted, the attorney said, that he had a payroll of \$400 a day during the years mentioned in the indictment and had paid "protection" of \$1,100 a month.

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Chicago Tribune

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Mr. Tolson
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Mr. Lester
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

18 MONTHS FOR A CAPONE AID

Because, like other Capone gangsters, he neglected to pay his income tax, Rocco De Grazio was sentenced by Federal Judge Woodward yesterday to eighteen months in Leavenworth penitentiary and \$1,000 fine.

He and his brother, Nicholas, pleaded guilty. The latter was granted probation after being sentenced to a year in the Bridewell and \$250 fine.

By drawing the prison term for tax cheating, De Grazio followed the path of Al and Ralph Capone, Jake and Sam Guzik, Frank Nitti, Terry Druggan, Frankie Lake and—most recently—Murray Humphreys.

De Grazio admitted failing to pay \$20,000 tax in 1929 and 1930.

According to Assistant United States Attorney E. Riley Campbell, he confessed to internal revenue investigators that he operated eighteen handbooks, mostly in Melrose Park, had a \$400 a day payroll and paid \$1,200 a month for "protection."

Chicago Herald & Examiner

File

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Mr. Tolson
Mr. Clegg
Mr. Baughman
Chief Clerk
Mr. Coffey
Mr. Edwards
Mr. Egan
Mr. Harbo
Mr. Keith
Mr. Lester **EB**
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

Mr. Nathan
Mr. Tolson
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Mr. Coffey
Mr. Edwards
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Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

END TESTIMONY IN CAPONE TAX EVASION PROBE

Miami, Fla., Jan. 30.—(P)—Depositions of government witnesses here in appeals by Al Capone, former Chicago gang leader; his brother, Ralph, and his aid, Jack Guzik, from federal income tax assessments totaling \$1,212,698.64 were completed today after a two day hearing.

They will be reviewed by the federal board of tax appeals in Chicago March 11.

Al Capone, who is in Alcatraz prison in California serving a sentence for income tax evasion, is protesting assessments totaling \$68,644.08 for the years 1924 to 1929, inclusive.

Ralph Capone is protesting assessments totaling \$311,282.53 for the years 1926 to 1928, and Guzik, \$832,752 for the years 1924 to 1929.

Tax liabilities of the trio during their residence at Miami Beach were sought by Elden McFarland, special attorney for the treasury department.

1-63

Chicago Tribune
69-10-11
JAN 31 1935
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TAKING CAPONE'S WEALTH! A NEW PUNISHMENT

*The First Move to Forfeit
'Crime Estates'*



INCOME TAXES AND PENALTIES

Efforts to take from Al Capone \$391,506 of his booze-beer-vice profits made during prohibition for back income taxes and penalties are to be made soon by the government, it was announced in Washington yesterday.

Although Capone still has the major portion of an eleven-year sentence to serve in a federal penitentiary for tax evasions, the action of the government is designed to deprive him of his fortune built up from criminal activities.

It is the government's way under existing laws of making it impossible for a convicted criminal to enjoy the fruits of his ill-gotten gains after the expiration of a penitentiary sentence.

A Forfeit

This step is in line with the suggestion made last Saturday by Governor Horner at his nation-wide crime conference in Springfield that laws be passed enabling courts to forfeit estates of convicted predatory criminals unless proof is given that their wealth was honestly gained.

Witnesses are being gathered by the government who will testify before the United States board of tax appeals in Chicago that Capone had an income of more than \$1,000,000 from gambling and other sources for the years 1925 to 1929. It was stated.

It is not likely that the notorious gangster will be released from prison to attend the hearing but he will undoubtedly be represented by his attorney, Michael J. Ahern, who already has made the claim that imposition of the penalties proposed would be in violation of Capone's constitutional rights and would constitute "double punishment."

Mr. Nathan.....
Mr. Tolson.....
Mr. Clegg.....
Mr. Baughman.....
Chief Clerk.....
Mr. Coffey.....
Mr. Edwards.....
Mr. Egan.....
Mr. Harbo.....
Mr. Keith.....
Mr. Lester.....
Mr. Quinn.....
Mr. Schilder.....
Mr. Tamm.....
Mr. Tracy.....
Miss Gandy.....

Chicago Herald & Examiner
69-180-A JUL 8 1935 59

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NEW YORK AMERICAN

CAPONE'S TAXES

*U. S. Is Seeking
To Collect
\$391,506*

HAS EVIDENCE

WASHINGTON, Jan. 8 (AP).—
The Government will appear soon
before the United States Board of
Tax Ap-
peals in an
effort to
collect
\$391,506 in
back in-
come taxes
and pen-
alties from
Al Capone,
now serving
an 11-year
sentence
for tax
evasion.

Witnesses
are being
rounded up
quietly to
present to
the board
evidence to
prove Ca-
pone had

income from gambling and other
operations totaling more than a
million dollars for the years 1925
to 1929. The arguments will be
heard in Chicago.



AL CAPONE

U. S. seeks \$391,506 from
him.

Mr. Nathan.....
Mr. Tolson.....
Mr. Clegg.....
Mr. Baughman..
Chief Clerk.....
Mr. Coffey.....
Mr. Edwards.....
Mr. Egan.....
Mr. Harbo.....
Mr. Keith.....
Mr. Lester.....
Mr. Quinn.....
Mr. Schneider.....
Mr. Tamm.....
Mr. Tracy.....
Miss Gandy.....

69-120-A

600

Mr. Nathan.....
 Mr. Tolson.....
 Mr. Clegg.....
 Mr. Baughman..
 Chief Clerk.....
 Mr. Coffey.....
 Mr. Edwards.....
 Mr. Egan.....
 Mr. Harbo.....
 Mr. Keith.....
 Mr. Lester.....
 Mr. Quinn.....
 Mr. Schilder.....
 Mr. Tamm.....
 Mr. Tracy.....
 Miss Gandy.....

S. PONDERS GOING CAPONE FOR \$391,506

ST. FRANCIS & SONSON
 Washington, D. C., Jan. 8.—Uncle Sam set out today to start collecting from Al Capone some of the thousands of dollars the government expended in investigations and criminal prosecutions that sent the one-time overlord of Chicago vice to a ten-year stay in Atlanta and Alcatraz prisons.

Sometime soon the circuit branch of the United States board of tax appeals will hold a hearing in Chicago and decide whether the government is entitled to any of the \$391,506.22 in back income taxes, including interest and penalties, the gangster has been accused of attempting to evade and defeat.

Roundup Up Witnesses.

With a view to bringing this civil suit to a showdown in as short a time as possible, government operatives of the internal revenue bureau today are conducting a countrywide roundup of all witnesses who testified either for or against the gang chieftain in previous Capone cases.

It was learned today that Capone has been offered \$100,000 a week, where Capone refused to pay his affluent heyday, in Chicago and Capone.

Combating the charges of the government, Capone, in his petition to the board, asked for a suspension of income taxes assessed against him for the years 1924, 1925, 1926 and 1927, amounting to \$100,000. He also asked for a redetermination of similar taxes the board proposes assess against him for the years 1928 to 1932 inclusive, amounting to \$322,842.15.

No Grounds, He Claims
 Through counsel, Capone to ward the commissioner by grounds or reasons for his claim that in 1924 the board erroneously charged him 10 per cent of the profits of the gambling syndicate in the amount of \$200,250.95, or a tax savings of \$123,102.89.

Moreover, his counsel in the petition, the gangster has already been a criminal charges of attempting to evade and defeat the government in attempt to further in a civil suit an act of doubt. Violation of his client's confidential.

1-1877
Chicago Daily News
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Mr. Nathan
Mr. Tolson
Mr. Clegg
Mr. Baughman
Chief Clerk
Mr. Coffey
Mr. Edwards
Mr. Egan
Mr. Harbo
Mr. Keith
Mr. Lester
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

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Mr. Egan
Mr. Harbo
Mr. Keith
Mr. Lester
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

SEEK \$391,506 CAPONE TAX

WASHINGTON, Jan. 8. (P)—The government will appear soon before the United States board of tax appeals in Chicago in an effort to collect \$391,506 in back income taxes and penalties from Al Capone, now serving an eleven-year sentence for tax evasion.

Witnesses are being rounded up to prove that Capone had income from gambling and other operations totaling more than a million dollars for the years 1925 to 1929, inclusive.

It is not likely that Capone will be released from prison to attend the hearing. Through his attorney, Michael J. Ahearn, he has made the claim that the penalties proposed would constitute "double punishment" and destroy his constitutional rights.

17725

Mr. Nathan
Mr. Tolson
Mr. Clegg
Mr. Baughman
Chief Clerk
Mr. Coffey
Mr. Edwards
Mr. Egan
Mr. Harbo
Mr. Keith
Mr. Lester
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy

Mr. Nathan
Mr. Tolson
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Mr. Baughman
Chief Clerk
Mr. Coffey
Mr. Edwards
Mr. Egan
Mr. Harbo
Mr. Keith
Mr. Lester
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy

SAYS AL CAPONE PARTICIPATED IN HUNGER STRIKE

San Francisco, Cal., Dec. 15.—(AP)—Some of the alleged secrets of Alcatraz island, including an asserted hunger strike by Al Capone and other prisoners, were disclosed today by John Stadig, young counterfeiter, before officials clapped him back into the government's carefully guarded prison for arch criminals.

"I'd rather die than go back to Alcatraz. That's a hell hole," Stadig told Constable John Ott immediately after being captured near Martinez, Cal., yesterday. He escaped recently while being returned to the prison from Portland, where he had been taken to appear in court.

"I got a 15 year sentence at Portland through a frameup," Stadig said. "The warden, attorney general, and Portland court framed me because I had written a letter to the attorney general criticizing the prison."

"My pal and I had asked the warden to allow us some newspapers and motion pictures in the prison once a month. He shackled us and threw us in the dungeon for this, and if we got two slices of bread a day we were lucky."

"Al Capone and other prisoners went on a strike and refused to eat or come out of their cells, and in three days we were released from the dungeon. It was after that I wrote to the attorney general."

17427

Chicago Tribune

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63

Mr. Nathan	
Mr. Tolson	✓
Mr. Clegg	
Mr. Baughman	✓
Chief Clerk	✓
Mr. Coffey	✓
Mr. Edwards	✓
Mr. Egan	
Mr. Harbo	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Schilder	✓
Mr. Tamm	✓
Mr. Tracy	

BARES CAPONE HUNGER STRIKE AT ALCATRAZ

Captured Fugitive Tells Secrets of U. S. Island Prison; Prefers Death to Return

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After being captured near Martinez, Cal., yesterday, he said:

"I'd rather die than go back to Alcatraz."

TELLS OF LIFE

The 26-year-old counterfeiter escaped recently while being returned to the prison from Portland, where he had been taken to appear in court.

Telling of life in prison, he said:

"I wrote a letter to the Attorney General criticizing the prison.

"My pal and I had asked the warden to allow us some newspapers and motion pictures in the prison once a month. He shackled us and threw us in the dungeon for this, and if we got two slices of bread a day we were lucky.

"Al Capone and other prisoners went on a strike and refused to eat or come out of their cells, and in three days we were released from the dungeon. It was after that I wrote to the Attorney General."

IN SEPARATE CELLS

He added:

"Capone, 'Machine Gun' Kelly and Harvey Bailey are confined to separate cells like the rest of us. Each man is locked in his solitary cell at 4:30 p. m. and stays locked up until 6:30 a. m.

"We wear gray uniforms during the week and change to blue ones on Sunday. The guards are plenty strict, but the treatment in the main isn't so bad. We don't get much exercise, only six hours a week, spread over seven days. There is no dope in the prison."

Stadig has figured in three escapes, one of which was in Chicago.

1752

Chicago Herald Examiner

69-180-A

12-16-34 64

Mr. Nathan	
Mr. Tolson	✓
Mr. Clegg	
Mr. Baughman	
Chief Clerk	
Mr. Coffey	
Mr. Edwards	
Mr. Egan	
Mr. Harbo	
Mr. Keith	
Mr. Lester	
Mr. Quinn	
Mr. Schilder	✓
Mr. Tamm	✓
Mr. Tracy	

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1785

Chicago Herald & Examiner

69-180-A

12-16-34 65

Toman Names New Warden for Jail; Fights Dope Evil

Money Penny Out;
Lax Discipline
Charged

CITES CRIMES
Guns and Poison
Brought to
Prisoners

Smuggling of dope into the county jail yesterday prompted Sheriff-elect John Toman to depose David Money Penny as warden and appoint in his place Frank Sain, for fifteen years a guard in the house of correction.

Money Penny's intimations that lack of political pull was at the bottom of his removal were impatiently brushed aside by Toman, who said:

"I have no confidence in him. He has permitted the violation of the strictest rules of penal institutions.

TELLS OF CRIME.

"Dope has been smuggled in butter cubes, poisoned sandwiches that killed one prisoner were brought into the jail, and a gun got into the jail with which a guard was killed. There is no politics in his removal.

Mr. Nathan
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Mr. Clegg
Mr. Baughman
Chief Clerk
Mr. Coffey
Mr. Edwards
Mr. Egan
Mr. Harbo
Mr. Keith
Mr. Lester
Mr. Quinn
Mr. Schaefer
Mr. Tamm
Mr. Tracy

"This is a new deal. I want to clean up. I want to be able to sleep nights without having to be afraid that a guard will be shot."

FIFTY CACHES FOUND.
It was learned from good authority that within the last four years more than fifty caches of dope have been found in the institution. Said the informant:

"Only within the last four weeks we found in the jail a cache of morphine in capsules. Dope is never found on prisoners. They are too canny to be caught with the goods, because the federal government would prosecute them. But the records of the narcotic division will bear out that dope has been found many times within the walls of the institution."

In addition to Sain, who is a brother of Alderman Harry Sain of the Twenty-seventh Ward, Toman announced the appointment of George Gibson, assistant warden, to continue in office.

Reforms Are Pledged by Sheriff Toman.

Commercialized vice must be driven out of the county. The sale of liquor to minors must stop. The employment of young girls as hostesses in roadhouses must cease.

Thus Sheriff-elect John Toman yesterday outlined their duties to Chief William F. Collins and Lieut. Lester J. Laird, Angelo Borella and Fred Mulhausen of the highway police when he informed them of their appointments.

Toman also announced the following appointments: Joseph Lelivelt, chief bailiff; James Todd, attorney for the sheriff; William Milota, chief bailiff of the Criminal Court, and Rudolph Sabath, custodian of the county building.

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Chicago Herald & Examiner
12-2-34

Mr. Nathan.....
 Mr. Tolson.....
 Mr. Clegg.....
 Mr. Baughman.....
 Chief Clerk.....
 Mr. Coffey.....
 Mr. Cowley.....
 Mr. Edwards.....
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 Mr. Quinn.....
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 Mr. Tracy.....

Mr. Nathan.....
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 Chief Clerk.....
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 Mr. Keith.....
 Mr. Lester.....
 Mr. Quinn.....
 Mr. Schilder.....
 Mr. Tamm.....
 Mr. Tracy.....

MISC.

Capone Misses Out on Special Feast

SAN FRANCISCO, Nov. 29.—(I.N.S.)—Inmates in all of California's state prisons today were enjoying special Thanksgiving Day meals, but to Al Capone and the 200-odd selected "bad boys" on Alcatraz federal penitentiary, the "Devil's Isle" in the middle of San Francisco Bay, it was just another Thursday. Warden James A. Johnston, warden at Alcatraz, said "There will be no special dishes on our menu today."

Handwritten signature/initials

Chicago Herald & Examiner

11-30-34

Mr. Nainen.....
 Mr. Tolson.....
 Mr. Clegg.....
 Mr. Baughman.....
 Chief Clerk.....
 Mr. Coffey.....
 Mr. Cowley.....
 Mr. Edwards.....
 Mr. Egan.....
 Mr. Harbo.....
 Mr. Keith.....
 Mr. Lester.....
 Mr. Quinn.....
 Mr. Schilder.....
 Mr. Tamm.....
 Mr. Tracy.....

AL CAPONE

PAROLE CAPONE? NOT IN 11 YEARS, AVERS OFFICIAL

San Francisco, Cal., Nov. 23.—(P)—
 There will be no parole for Al Capone
 or the other Alcatraz Island prison
 "incurrigibles," Col. Joel Moore, chief
 federal probation officer, made known
 today.

"Al Capone and others of his like
 will have to serve out their entire
 terms in Alcatraz prison. There will
 be no paroles recommended by my
 department for them," Col. Moore de-
 clared. "Capone must serve out his
 11 year sentence."

69-180-A Chicago Tribune 68
 11-24-34

CAPONE'S WIFE ASKS INTERVIEW, REPORT

San Francisco, Nov. 23 (AP).—Despite reports that Mrs. Al Capone is in San Francisco to seek an interview with her convict husband at Alcatraz island penitentiary, Warden James Johnston denied knowledge of her whereabouts. Johnston said if the interview is granted with the Chicago gang chief it would be kept secret.

1-288

Chicago Daily Times
69-180-A 11-23-34
69

Pre-Vote Roundup Jails A Capone

BROOKLYN, N. Y., Nov. 2.—(P)
James Capone, cousin of Alphonse
("Scarface Al") Capone, was held
in \$500 bail today for further hear-
ing on a charge of "consorting
with criminals." Capone was ar-
rested with thirty-seven others in
a pre-election roundup designed,
police said, to prevent disturbances
at the polls. "Consorting with crim-
inals" is a disorderly conduct
charge.

64-180-2 Chicago Herald & Examiner
11-3-34 70

Rule Against Capone

The plea of Al Capone, former gang lord of Chicago, was started in the federal District court of Atlanta while he was imprisoned in the federal penitentiary there, but before its final rejection by the Supreme court Capone had achieved the release he sought. He was taken out of the penitentiary there, but was lodged in a new one on Alcatraz Island, off the California coast.

Nevertheless the petition for a writ of certiorari, which the Supreme court denied today, was in the matter of Alphonse Capone vs. A. C. Aderhold, the latter being warden of the Atlanta penitentiary. Capone's lawyers raised his plea after he had been committed to the penitentiary on May 4, 1932. A Supreme court decision in another case held that the statute of limitations in criminal income tax cases is three years, and not six, as the government relied upon in convicting Capone.

But Capone's lawyers had failed to raise the plea during the trial and this precluded him from further relief.

The Supreme court took under advisement the case in which Samuel T. Ansell, who investigated election frauds in Louisiana, is suing Senator Long for \$500,000 libel.

Mr. Nathan	_____
Mr. Tolson	_____
Mr. Clegg	_____
Mr. Baughman	_____
Chief Clerk	_____
Mr. Coffey	_____
Mr. Cowley	_____
Mr. Edwards	_____
Mr. Egan	_____
Mr. Harbo	_____
Mr. Keith	_____
Mr. Lester	_____
Mr. Quinn	_____
Mr. Schilder	_____
Mr. Tamm	_____

J. CAPONE

Chicago Tribune

1918

10-16-34

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Mr. Nathan
 Mr. Telson
 Mr. Clegg
 Mr. Baughman
 Chief Clerk
 Mr. Coffey
 Mr. Cowley
 Mr. Edwards
 Mr. Egan
 Mr. Harbo
 Mr. Keith
 Mr. Lester
 Mr. Quinn
 Mr. Schilder

AL CAPONE

Counsel for Capone
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In a petition for
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 parallel the granti
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 New York's highes

CAPONE LOSES PLAN TO SUPREME COURT

Review Is Denied for Habeas
Petition Raising Issue of
Limitations Statute.

ODDS AGAINST A REHEARING

Chicago's Ex-Gang Chieftain Is
Believed Likely to Serve His
Time at Alcatraz.

Special to The New York Times.
WASHINGTON, Oct. 15.—Prob-
ably the last avenue through which
Alphonse Capone might have
escaped serving the rest of his
ten-year prison sentence for at-
tempted evasion of income tax,
from 1925 to 1927, was blocked to-
day by the Supreme Court.

Without explanation the court re-
jected a petition of the former Chi-
cago gang leader for review of
lower court findings, in a habeas
corpus proceeding.

Counsel for Capone, conceding in-
come tax evasion charges, argued
that as the indictment was drawn
more than three years after the al-
leged offenses occurred, the statute
of limitations barred the court
from taking jurisdiction.

The action of the high court left
to Capone the sole recourse of an
appeal for a rehearing, a move in
which the odds would be against
him. As a result Capone is likely
to stay at Alcatraz prison at least
until he becomes eligible for parole.

Since the court confined its ruling
to the essential point of the peti-
tion, it threw no light on the ques-
tion whether counsel for Capone,
in appealing to the Court of Ap-
peals from the decision of the Dis-
trict Court for Northern Illinois,
had erred in failing to raise the
statute of limitations as a legal
impediment to his trial.

Besides the ten-year prison sen-
tence, Capone received a year's
term in county jail and a fine of
\$50,000.

At the trial, counsel for Capone
asked the court to direct a verdict
of not guilty on the ground that
the statute of limitations prevented
consideration of an offense three
years prior to the indictment. The
government replied that in this case
the limitation was six years because
of an attempt to "defraud" the
United States.

The trial court overruled the mo-
tion for a directed verdict. On ap-
peal, reversal of the conviction was
sought on the sole ground of in-
sufficiency of the indictment and
the question of the statute of limi-
tations was not raised.

In a petition for a writ of habeas
corpus filed in the Federal court
for the Northern District of Georgia,
Capone's counsel offered as a
parallel the granting of a habeas
writ to "Boss" William Tweed by
New York's highest court.

69-170-1

Relative of Capone in Quiz on Bombing

Frank Diamond, 42, relative of Al Capone, was to be questioned today by Arthur Treacy of the bomb squad. Known as a racketeer and public enemy, Diamond was arrested last night by Sergt. Marshall Pidgeon at Washington and Dearborn sts.

69 188 A Chicago American
10-15-34 74

Al Capone's Nemesis Forced to Take Exam to Keep Federal Job

Cleveland, Oct. 10 (AP).—The man who headed the government's investigation into the income tax evasions of Al Capone, Chicago's dethroned and imprisoned No. 1 public enemy, has had to take a government competitive examination to hold his job.

He is Elliot Ness, 31, Chicago, who became agent in charge of the Cleveland office of the alcohol tax unit of the treasury department after his successful expose of Capone's evasions.

Despite his brilliant record, Ness and the 10 men under him had to take the examination. A new law passed by congress makes the test mandatory, whether they are jobholders or not.

The tests were preparatory to increasing the federal liquor staff in Ohio and Michigan from 60 to 150.

Ness, a University of Chicago graduate, was frankly a little disturbed about the examination. He wandered about the federal building reviewing his mathematics.

69-180-A

Chicago Daily Times

10-15-34

75

CAPONE LOSES IN HIGH COURT

WASHINGTON, Oct. 15.—(By International News Service.)—Alphonse Capone, former overlord of Chicago, today lost his second appeal to the United States Supreme Court in an effort to escape serving out his term on charges of dodging income tax.

The high court, without explanation, denied a petition for review in a habeas corpus proceeding, in which Capone's lawyers contended the statute of limitations prevented his trial.

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69-170-H

Chicago American

10-15-34

Supreme Court Rejects Appeal Pled for Review

WASHINGTON, D. C., Oct. 15.—The United States Supreme court today rejected an appeal from a lower court decision in the case of *Regain, Inc. v. Shubert*, which was argued in the Supreme court last week. The case involves the validity of a three-year statute of limitations in the Federal penitentiary.

At the time his prosecution was pending, Captain Regain asked the Supreme court to set aside the verdict of the lower courts and undertake a review of the proceedings.

Without comment from the bench, the highest court in the land denied Captain Regain's petition for a writ of certiorari.

Woods Denied Review.
Albert H. Woods, Chicago, owner of stock in a corporation, hotel and theater property, was denied a review of his suit to obtain a discharge in bankruptcy.

The discharge was opposed by Regain, Inc., on the basis of an allegedly fraudulent transfer of stock to the Shubert theatrical interests. The fraud, if any, Woods contended, was a technical one which he took on advice of attorneys and without any knowledge of fraud on his part.

Lawyers' Fees Upheld.
The Downers Grove (Ill.) sanitary district was denied a review of the Illinois Supreme court ruling which held it obligated to pay \$25,000 in fees to the law firm of Bunge, Brofeldt & Bunge.

The fees were for services rendered in preparing special assessments for a \$1,000,000 sewage improvement. The lawyers were retained by a group of trustees who were replaced before the project went through.

Air Line Is Later.
Transcontinental and Western Air, Inc., today was refused su-

(Continued on Fourth Page.)

The company's appeal from a southern district court ruling which enjoined the cancellation order was denied. The Transcontinental case was brought before the Supreme court by the company's attorneys, who argued that the cancellation order was void because it was issued by a court without jurisdiction.

Filed in New York, one of the terminals of the company's transcontinental lines, the suit charged that Wadley's order violated contracts beyond his authority. Judge John C. Knox, before whom the case was tried, dismissed the suit, holding it was substantially against the United States and could not be maintained.

This decision was later reversed by the second Circuit Court of Appeals, which said the suit should have been dismissed for lack of jurisdiction. Both rulings, the company contends, are wrong and it seeks review of the Supreme court.

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Chicago Daily News
10-15-34

69-180-H

Capone Again Loses Fight To Go Free

By International News Service

"Scarface Al" Capone, former overlord of Chicago gangdom, today lost his second appeal to the Supreme Court in an effort to escape his sentence on charges of dodging income tax.

The high court, without explanation, denied a petition for review in a habeas corpus proceeding, in which Capone's lawyers contended that the statute of limitations prevented his trial.

Thus the high court left unanswered the question of whether or not Capone's lawyers made a fatal error when he was tried in Federal court in Chicago by not raising the statute of limitations question in the proper way.

Capone was sentenced to a year in jail on misdemeanor charges and 10 years for dodging income tax for 1925, 1926, and 1927.

At the trial his lawyers moved for a directed verdict and asserted that three years had elapsed since the offenses. The Government replied that a six-year statute applied in Capone's case.

69-180-A

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AL CAPONE LOSES IN SUPREME COURT

Tribunal Refuses to Review
Court Action Denying
Him Freedom

By the Associated Press.

The United States Supreme Court refused today to aid Alphonse (Scarface Al) Capone, convicted Chicago gangster recently removed to Alcatraz Federal Penitentiary, in his effort to obtain freedom.

Capone had contended his conviction of violating the internal revenue laws by making false income tax returns for 1925, 1926, and 1927 was illegal because it was obtained more than three years after the offenses were alleged to have been committed. The Supreme Court declined to review the refusal of lower courts to release him.

U. S. Denies Time Expired.

In its argument against Capone's release the Government took the position the three-year statute of limitations did not apply in cases of fraud and that the conviction was legal because obtained within six years after the offenses.

Capone was sentenced in the Federal District Court at Chicago to one year in the county jail and fined \$30,000 on conviction of two misdemeanors, and to 10 years' imprisonment in a Federal Penitentiary and a fine of \$30,000 on three other counts alleging fraud.

Milk Ruling Upheld.

The court also affirmed an injunction granted by the lower court against a section of the New York milk control act which prohibits milk dealers from selling their product purchased outside the State for less than the same grade produced within the State.

A special three-judge Federal court had held the section unconstitutional and enjoined its enforcement.

Mr. Nathan
 Mr. Tolson
 Mr. Clegg
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 Chief Clerk
 Mr. Coffey.....
 Mr. Cowley.....
 Mr. Edwards.....
 Mr. Egan.....
 Mr. Harbo.....
 Mr. Keith.....
 Mr. Lester.....
 Mr. Quinn.....
 Mr. Schilder.....
 Mr. Tamm.....

Capone Loses Plea in Supreme Court

Al Capone today lost probably his last plea for liberty from the Federal penitentiary where he is serving 10 years imposed in Chicago for failing to pay his income tax.

The Supreme Court, to which the premier of Chicago gangdom carried his fight for release, turned a deaf ear to his habeas corpus fight.

AL. CAPONE CASE

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Mr. Nathan
Mr. Tolson
Mr. Clegg
Mr. Baughman
Chief Clerk
Mr. Coffey
Mr. Cowley
Mr. Edwards
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Mr. Harbo
Mr. Keith
Mr. Lester
Mr. Quinn
Mr. Schilder
Mr. Tamm



WCNS39

AL CAPONE TODAY LOST PROBABLY HIS LAST PLEA FOR LIBERTY FROM THE FEDERAL PENITENTIARY WHERE HE IS SERVING TEN YEARS OF THE 31 YEARS SENTENCE IMPOSED ON HIM IN CHICAGO FOR FAILING TO PAY HIS INCOME TAXES.

WCNS45

ADD CAPONE

EXCEPT FOR A PETITION FOR REHEARING, A GENERALLY FUTILE GESTURE, THE RULING CLOSED ANY POSSIBLE AVENUE WHICH CAPONE HAS LEFT TO GAIN HIS RELEASE UNTIL HE BECOMES ELIGIBLE FOR PAROLE.

10/15--WIR:SP

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